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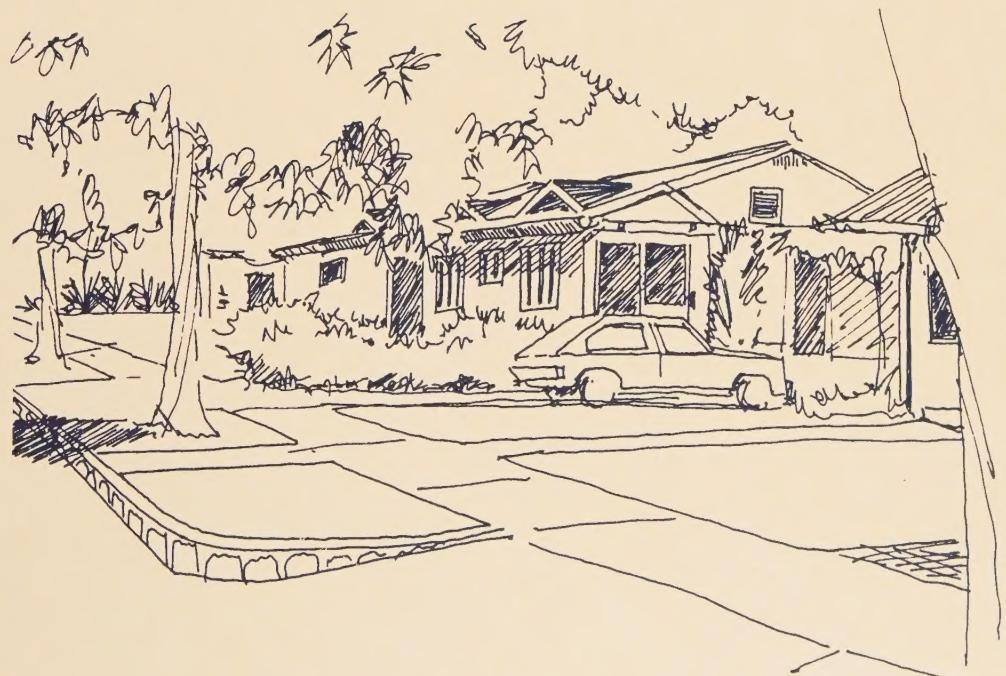
# CITY OF SANTEE HOUSING ELEMENT

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CITY OF SANTEE  
HOUSING ELEMENT

Adopted Housing Element

June 1990

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### ATTACHMENT

#### A. State Housing Element Requirements



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## **1.0 INTRODUCTION**

The City of Santee is a newly incorporated, suburban community located in central San Diego County approximately 18 miles east of downtown San Diego. The City was incorporated in 1980 and established its Redevelopment Agency two years later. Santee recently became an entitlement city (1988), allowing for discretion of expenditure of CDBG funds. The City's first Housing Element was adopted in August, 1984, and the City has begun to set the groundwork for implementation of Santee's initial housing program.

This Housing Element is intended to direct residential development and preservation in a way that coincides with the overall economic and social values of the community. The residential character of a city is largely dependent on the type and quality of its dwelling units, their location, and such factors as maintenance and neighborhood amenities. The Housing Element is an official municipal response to a growing awareness of the need to provide housing for all economic segments of the community, as well as legal requirements that housing policy be made a part of the planning process. As such, the Element establishes policies that will guide City officials in daily decision making and sets forth an action program designed to enable the City to realize its housing goals.

### **1.1 State Policy and Authorization**

The California State Legislature has identified the attainment of a decent home and a satisfying environment for every Californian as the State's major housing goal. Recognizing that local planning programs play a significant role in the pursuit of this goal, and to assure that local planning effectively implements statewide housing policy, the Legislature has mandated that all cities and counties include a housing element as part of their adopted local general plans. Section 65302(c) of the Government Code sets forth the specific components to be contained in a community's housing element. Attachment A summarizes these State requirements and identifies the applicable sections in the Santee Housing Element and Technical Data Report where these requirements are addressed.

Article 10.6 was added to the Government Code in 1980 and incorporates into law the Housing Element Guidelines promulgated by the California Department of Housing and Community Development (HCD). The original Housing Element Guidelines were adopted on June 17, 1971, and revised guidelines were adopted on November 17, 1977.

The Government Code specifies the intent of the Legislature to insure that counties and cities actively participate in attaining the state housing goal, and sets forth specific components to be contained in a housing element. These include the identification and analysis of existing and projected housing needs, resources and constraints; a statement of goals, policies, quantified objectives, and scheduled programs for the preservation, improvement and development of housing; identification of adequate sites for housing; and adequate provision for the existing and projected needs of all economic segments of the community.



## **1.2 Organization of the Housing Element**

The Housing Element Guidelines require elements to include two basic components:

1. An evaluation of the housing problem and an analysis of housing needs, indicating the capacity of the existing housing supply to provide all economic segments of the community with decent housing.
2. A housing program, consisting of two parts:
  - a. A comprehensive problem solving strategy establishing local housing goals, policies, and priorities aimed at alleviating unmet need and remedying the housing problem; and
  - b. A course of action which includes a specific description of the actions the locality is undertaking and intends to undertake to effectuate these goals, policies, and priorities.

The Santee Housing Element delineates the City's housing needs and sets forth a program of action in accordance with State law. This first section of the Element defines the intent of the Housing Element, describes its relationship to State directives and other General Plan elements, and includes a description of the public participation and intergovernmental coordination utilized in its preparation. Section 2.0 of the Housing Element provides an overview of the present and projected housing needs of the City's households as defined by the Housing Element Technical Data Report, which serves as an appendix to the Element. This section also provides an analysis of potential constraints to meeting the City's identified housing needs and an evaluation of opportunities that will further the development of new housing. Section 3.0 of the Housing Element sets forth the goals and policies to address Santee's identified housing needs. Finally, Section 4.0 establishes a comprehensive program strategy to implement the City's housing goals.

## **1.3 Relationship of the Housing Element to Other General Plan Elements**

The California Government Code requires that General Plans contain an integrated, internally consistent set of policies. When one element of the General Plan is revised, and especially when new policies and priorities are proposed, the other elements must be reviewed to ensure that internal consistency is maintained. This section examines the relationship of the Housing Element and its policies to the other elements of Santee's General Plan.

### **Community Development: Land Use, Circulation, Recreation and Trails Elements**

The Housing Element is most affected by development policies contained in the Land Use Element, which establishes the pattern, type, intensity, and distribution of land uses throughout the City. In designating the total acreage and density of residential development, the Land Use Element



places an upper limit on the number and types of housing units constructed in the City. The acreage designated for industrial, commercial, and office professional uses creates employment opportunities, which in turn affects the demand for housing in Santee.

The Circulation Element sets forth policies and programs for the provision of transportation facilities that safely and efficiently move people and goods. In conjunction with the Land Use Element, the Circulation Element seeks to reduce the potential impacts of the circulation system (accessibility, noise, traffic safety concerns, etc.) on residential areas. Single-family homes are generally located along residential collectors and local streets, while multi-family units have been located along major streets to provide a desirable level of service with increased traffic volumes. On- and off-site improvements add to the cost of housing but are necessary for housing development. The Circulation Element also attempts to create a satisfying living environment for residents of Santee by providing a convenient public transportation system and a network of bikeways and equestrian trails outlined in the Trails Element.

The Recreation Element establishes various standards and criteria for the passive and active recreational facilities necessary to adequately serve the community. The policies which have been developed for this element are aimed at enhancing and continuing the high quality park and recreational amenities of Santee. These policies, however, affect both the amount of land available for housing by designating permanent park land areas, and the cost of housing by requiring land dedication or development fees for the acquisition and maintenance of parks and recreational facilities.

#### **Resource Management: Conservation and Open Space Elements**

The Conservation and Open Space Elements have identified distinct areas within Santee that support significant natural resources. They establish policies and implementation measures for controlling the impacts of development on the natural environment within these areas. These elements have also defined areas to be maintained in their natural state for resource preservation and open space purposes. Like the programs established in the Recreation Element, the policies of the Conservation and Open Space Elements affect housing availability and cost by reducing the amount of land available and by requiring land dedication or payment of park-in-lieu fees.

#### **Public Health and Safety: Noise, Seismic Safety, and Public Safety Elements**

These elements assess natural and man-induced hazards that affect public health and welfare, and establish appropriate policies and implementation measures that restrict the intensity and pattern of residential development in certain areas of the City.



The Noise Element contains policies aimed at reducing the impacts of urban noise (traffic, aircraft, commercial/industrial, and community activity) on residents and workers in the City. Special construction methods to reduce noise impacts create a more satisfying living environment, but also add to the cost of housing.

The Seismic Safety Element identifies areas of potential geotechnical and/or seismic risk. The policies of this element are designed to reduce loss of life, injuries, damage to property, and economic and social dislocation in Santee. Implementation measures call for special design considerations during the Project Review process for developments in areas of potentially high seismic risk. Among the requirements include a geological reconnaissance, geological investigation, soil investigation, and seismic study. All of these actions add to the cost of housing; however, they are required if the City is to provide an acceptable level of public safety.

The Public Safety Element aims to reduce loss of life, injuries, and property damage resulting from natural and human-caused public safety hazards. The Public Safety Element, in conjunction with the Seismic Safety Element, addresses the full scope of potential hazards facing Santee. The element is designed to identify where private and public decisions in development need to be responsive to potentially hazardous conditions such as flooding, dam inundation, fire, toxic wastes, traffic, and crime. It further serves to inform residents, private firms, and public agencies of Santee's policies regarding the type of land uses permitted, how and where to build public facilities, and what types of services should be provided. The objectives of the element may add to the cost of housing, but are required in order to provide a safer living environment.

#### **Community Design: Scenic Highways and Community Design Element**

The Scenic Highways and Community Design Elements provide development controls in the form of design guidelines for streetscapes, visual corridors, and areas of significant aesthetic quality or sensitivity. The policies and implementation measures were determined after identification of design resources and establishment of community design goals and objectives. Implementation measures include landscaping programs, unique site planning, signing controls, rehabilitation of older units, and architectural review. While these programs reduce the visual pollution of the built environment and enhance residential living conditions with aesthetic amenities, the cost to the City and private developers to implement the program are eventually reflected in increased housing costs.



#### **1.4 Public Participation**

Section 65583(c)(5) of the Government Code states that "The local government shall make diligent effort to achieve public participation of all economic segments of the community in the development of the housing element, and the program shall describe this effort."

In an effort to achieve part of this standard, the City of Santee had a survey of mobile home park residents conducted in May, 1989. The survey assessed the housing tenure, housing conditions, and demographic background of Santee's mobile home park residents. The survey has aided City administrators in planning for the future needs of these residents, and the results have been incorporated into the goals and policies of this Housing Element.

Aside from the survey, public participation is also provided in the form of public hearings. Following the preparation of the Draft Housing Element and its review by City staff, the Planning Commission conducts public hearings on the Element. Subsequent to Planning Commission action and recommendations to City Council, further public hearings will be held at the City Council level. Once the public hearing and related review are completed, the City Council may formally adopt the Element.

The City currently contributes CDBG funding to the Heartland Human Relations Association for fair housing counseling services. This program has been funded by the City for several years.

The City of Santee intends to continue to cooperate with the San Diego County Fair Housing Council and San Diego County Housing Authority in promoting equal housing opportunity for all economic segments of the community.



## **2.0 SUMMARY OF HOUSING NEEDS, CONSTRAINTS, AND OPPORTUNITIES**

As part of this Housing Element, a separate Technical Data Report was prepared which documents the population, socio-economic, and housing characteristics of the City of Santee. This background report helped to define the City's current and projected housing need, and to provide direction in the development of goals, policies, and programs to address these needs in the Housing Element. The Housing Element Technical Data Report is included in the General Plan Appendices.

This section of the Housing Element summarizes the findings of housing need from the Technical Data Report. In addition, certain constraints which may discourage the construction of new housing are evaluated, as well as opportunities that will further the development of housing in the community.

### **2.1 Summary of Housing Needs**

A number of factors will influence the degree of demand or "need" for new housing in Santee in coming years. The four major "needs" categories considered in this Element include:

- Housing needs resulting from increased population growth, both in the City and the surrounding region;
- Housing needs resulting from the deterioration or demolition of existing units;
- Housing needs that result when households are paying more than they can afford for housing;
- Housing needs resulting from the presence of "special needs groups" such as the elderly, large families, female-headed households, households with a handicapped person, and the homeless.

For a more detailed discussion of these needs categories, refer to the Housing Element Technical Data Report.

#### **2.1.1 Population Growth**

The 1988 population of the City of Santee was nearly 52,000 persons, making it the tenth largest city in San Diego County. During the 1980s, its average annual growth rate was 3 percent, slightly lower than that experienced by the County. (It should be noted that Santee's annual growth rate was slightly higher prior to 1985 - 3.2 percent, and dropped to an average of 2.7 percent from 1985 to 1988.) The City's projected growth rate from 1980 to 2000 is shown in Table 1. The population trends from 1980 - 1988 for Santee and surrounding areas are shown in Table 2. The City's population growth rate is indicative of the fact that Santee is an urbanizing community with land available for residential development.



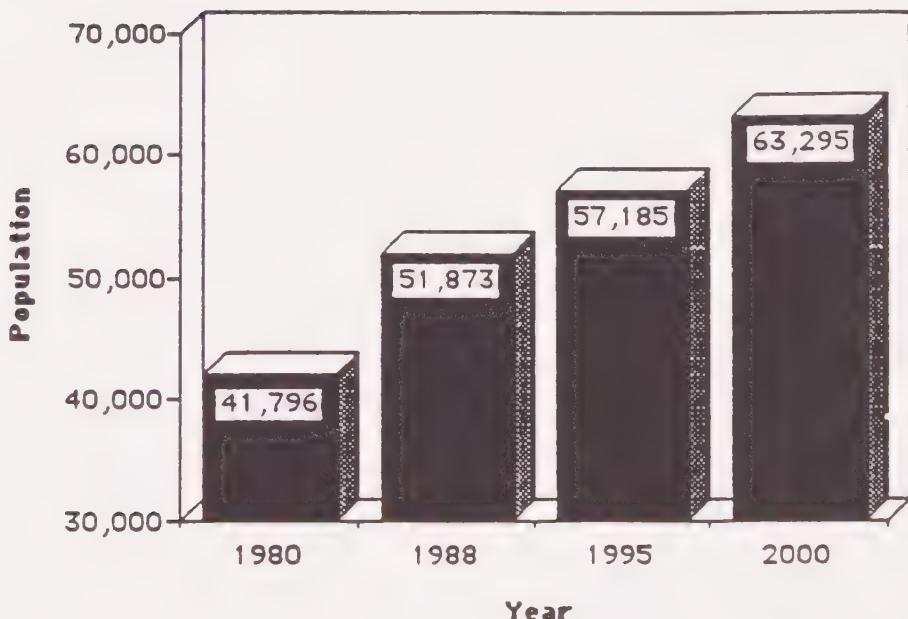
**TABLE 1**  
**CITY OF SANTEE**  
**PROJECTED POPULATION GROWTH: 1980-2000**

	1980	(b) 1988	(c) 1995	(c) 2000	CHANGE NO.	1980-2000 %
Total Population (a)	41,796	51,873	57,185	63,295	21,499	51.4
In Households -	41,115	51,087	56,547	63,581	22,466	54.6
In Group Quarters	681	786	638	714	33	4.8

Source: (a)Total 1980 population based on Santee 1984 Housing Element; breakdown by households and group quarters based on proportions in 1980 Census.

(b)Dept. of Finance, Controlled Population Estimates for 1/1/88.

(c)SANDAG Series 7 Regional Growth Forecast: 1986-2010, July 1988.





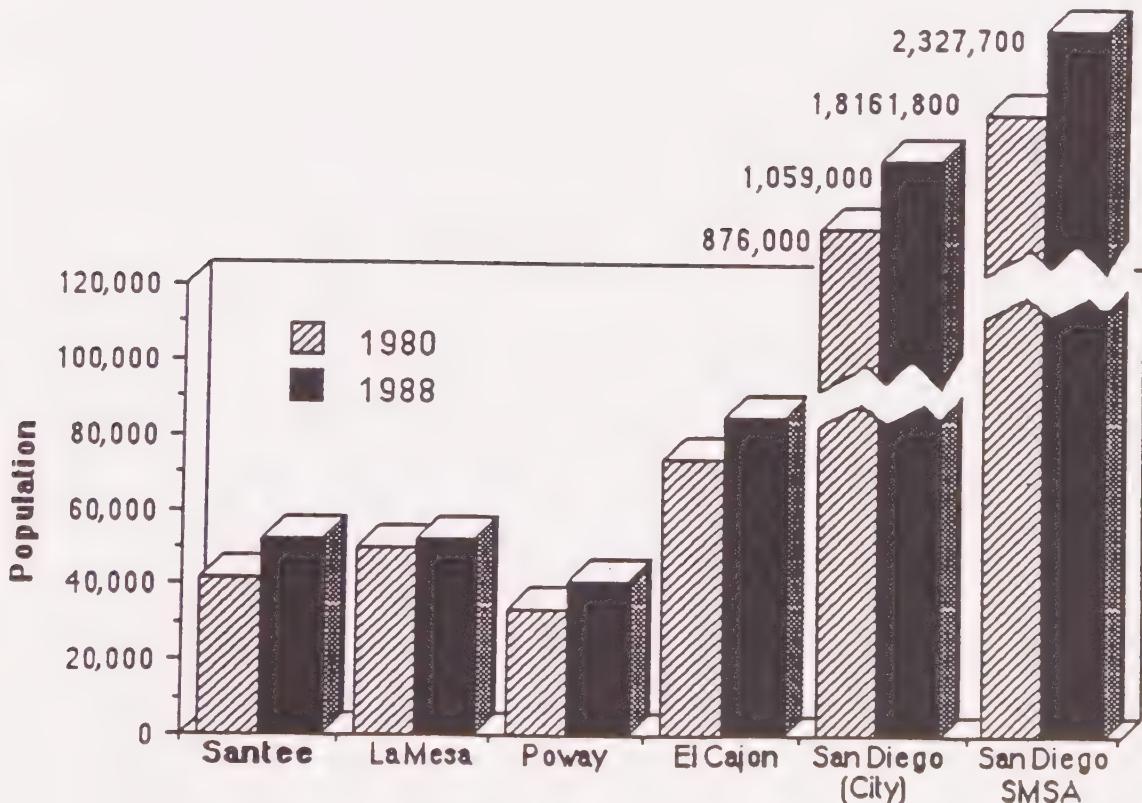
**TABLE 2**  
**POPULATION TRENDS: SANTEE AND SURROUNDING AREAS**  
**1980-88**

JURISDICTION	(a)1980	(c)1988	% INCREASE
Santee	(b)41,796	51,873	+24.1%
El Cajon	73,892	84,623	+14.5%
La Mesa	50,308	52,334	+ 4.0%
Poway	33,178	41,306	+24.5%
San Diego (City)	875,538	1,058,702	+21.0%
San Diego SMSA	1,861,846	2,327,684	+25.0%

Source: (a)U.S. Dept. of Commerce, Bureau of the Census, 1980 Census Report.

(b)Santee Housing Element, 1984.

(c)Department of Finance, Controlled Population Estimates,  
1/1/88.





Growth projections through the year 2000 indicate substantive increases in Santee's population, although the annual growth rate is projected to slow to 1.8 percent. As discussed under Housing Opportunities, much of the City's future growth will be accommodated through the development of vacant land, a large proportion of which will occur in the currently undeveloped Fanita Ranch area located in the northern portion of the City. Construction of SR 52 through the City will also encourage residential development as access to the City is improved.

### **2.1.2 Substandard Units**

The accepted standard for housing rehabilitation needs is after 30 years. In 1988, approximately 16 percent of Santee's housing stock was over 30 years old. However, in ten years, more than one-third (6,000 dwelling units) of the City's housing will be over 30 years of age, indicating the need for continued housing maintenance to prevent widespread housing deterioration.

A December 1988 windshield survey of targeted neighborhoods revealed that the majority of the City's housing stock is in good condition. However, with such a large proportion of the City's housing stock nearing 30 years of age, continued maintenance of this older housing will be essential to prevent widespread housing deterioration. The City's 1988-1991 Housing Assistance Plan identifies a total of 1,522 substandard dwelling units in Santee, 1,236 of which are suitable for rehabilitation and the remaining 286 which should be replaced. Residential units which currently exhibit structural deterioration are predominately concentrated in the southern portion of the City along Prospect Avenue and its side streets. This area is encompassed within the City's Neighborhood Revitalization Areas (see Figure 1) which have been targeted for rehabilitation funds. Rehabilitation improvements will continue to be encouraged in this area by offering low interest rehabilitation loans for both single and multi-family housing. In addition, industrial zoning in some of these areas will encourage the demolition of substandard units or conversion to commercial buildings.

The Housing Element sets forth policies and programs to encourage the maintenance of the City's housing stock. These policies aim to:

- Encourage the maintenance of the existing housing stock to prevent unit deterioration;
- Encourage the rehabilitation of substandard and deteriorating housing;
- Promote the removal and replacement of substandard units which cannot be rehabilitated or which are located in non-residential zones.



# CITY OF SANTEE GENERAL PLAN

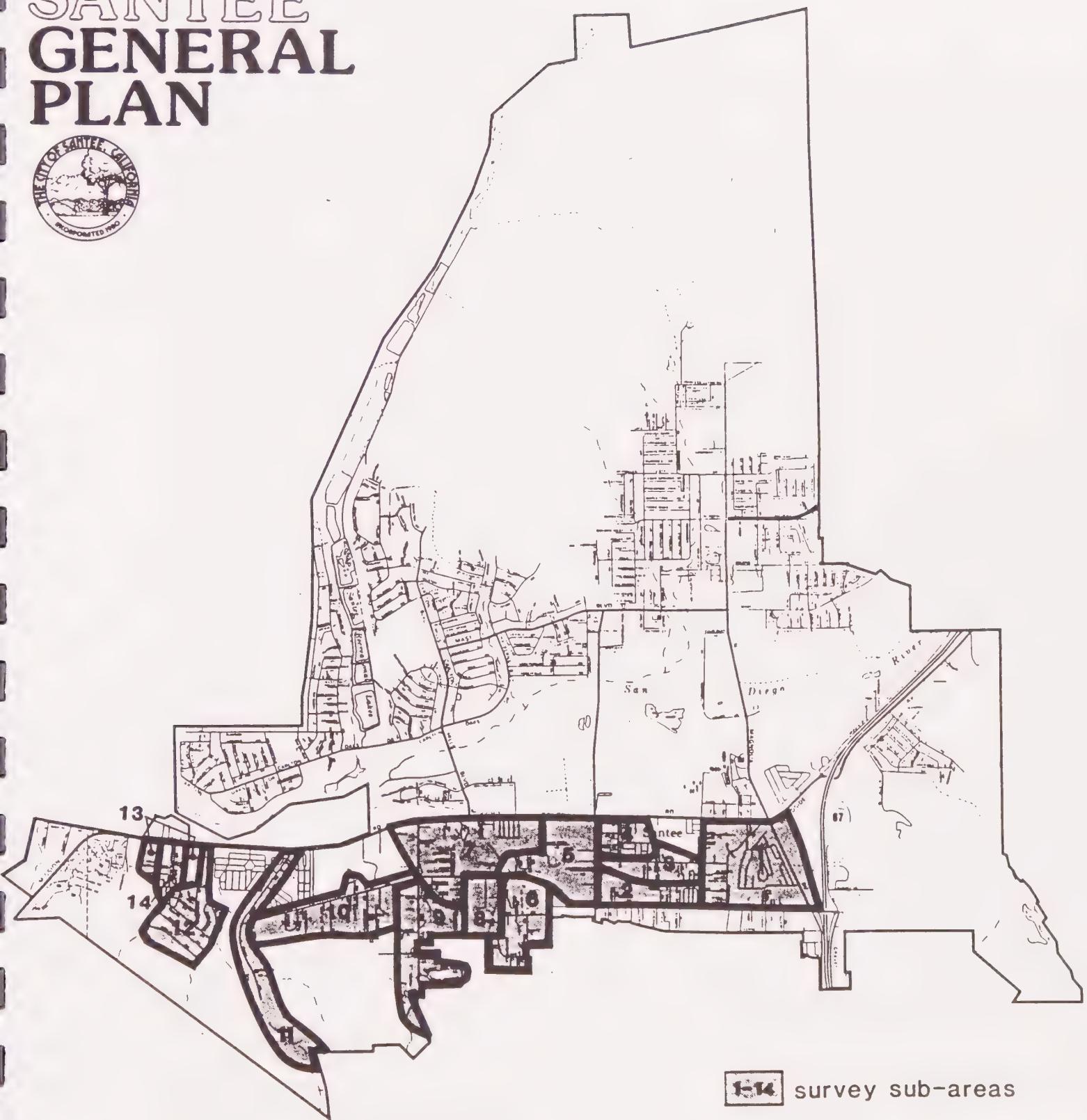


Figure 1  
Neighborhood Revitalization Areas

Source: City of Santee  
Prepared by: Cotton/Beland/Associates, Inc.



### 2.1.3 Affordability

In 1980, State and Federal standards for housing overpayment were based on an income-to-housing ratio of 25 percent and above.(a) Households paying greater than this amount will have less income left over for other necessities, such as food, clothing, and health care. It is recognized, however, that upper income households are generally capable of paying a larger proportion of their income for housing, and therefore estimates of housing overpayment generally focus on lower income groups.

The 1980 Census Report identifies households paying greater than 25 percent of income for housing. As could be expected, the lower the income group, the greater the proportion of households overpaying for housing. Among households earning less than \$10,000, 88 percent overpaid for housing, whereas 72 percent in the \$10,000-\$14,999 income category overpaid. Among those in the \$15,000-\$19,999 category, 61 percent overpaid, while only 25 percent earning greater than \$20,000 overpaid. In total, an estimated 42 percent of Santee's households in 1980 were overpaying for housing.

The distinction between renter and owner housing overpayment is important because while homeowners may overextend themselves financially to afford the option of home purchase, the owner always maintains the option of selling the home. Renters, on the other hand, are limited to the rental market, and are generally required to pay the rent established in that market. According to the 1980 Census Report, of the 1,693 households with incomes less than \$10,000, 1,205 were renter households and only 488 were owner households. This discrepancy is largely reflective of the tendency of renter households to have lower incomes than owner households. The fact that rental rates in Santee are higher than the surrounding region also contributes to this high level of housing overpayment among lower income renter households.

The 1989 Santee Mobile Home Park Survey provides current information on the affordability of the City's mobile home parks. Very Low and Low Income mobile home residents were identified as potentially in need of housing assistance if they paid greater than 30 percent of their income on rent, the Federal standard for housing overpayment. The results of the survey indicate that 23.5 percent of all respondent households, and 31.6 percent of respondent senior households, are overpaying for housing and could potentially qualify for housing assistance. While these statistics indicate that mobile home rents are priced above the level of affordability for approximately one-quarter of the parks' lower income income residents, this rate of housing overpayment amongst lower income households is far less than that among renters of the City's apartment and single-family housing. With a 1989 median monthly rental rate of \$322,

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(a) Since 1980, HUD has changed its standards of housing overpayment to 30 percent or more of household income.



Santee's mobile homes provide a much lower cost rental option than both apartments and single-family homes. In addition, the vast majority of the City's mobile home residents (76 percent) own their own coaches outright and do not have mortgage payments.

#### 2.1.4 Special Needs Groups

Certain segments of the population may have a more difficult time finding decent, affordable housing due to special circumstances. In Santee, these "special needs" households include the elderly, handicapped persons, large families, female-headed households, farmworkers, military households, and the homeless.

Elderly: The special needs of many elderly households result from their lower, fixed incomes, physical disabilities, and dependence needs. In 1980, 7.5 percent of Santee's population was age 65 and above. Applying this percentage to the City's 1988 population translates to an estimated 4,341 elderly residents. The fact that nearly half of the City's residents are between 25-64 indicates a growing elderly population as these residents age as a cohort.

The City's 1988 Housing Assistance Plan (HAP) identifies 380 elderly households in need of rental assistance. Escalating housing costs, particularly in the rental market, adversely impact housing affordability for fixed-income elderly residents. The housing needs of the elderly can be addressed through the provision of smaller units, second units on lots with existing homes, shared living arrangements, congregate housing, and housing assistance programs.

According to the Santee Mobile Home Survey completed in June, 1989, approximately two-thirds of the City's mobile home park residents are 62 years of age or older. The special needs of these elderly residents are related to the ongoing maintenance of their mobile homes and rising space rents. A copy of this survey is included in the Housing Element Technical Data Report.

Handicapped: Physical handicaps can hinder access to housing units of normal design as well as limit the ability to earn adequate income. Santee's preliminary Housing Assistance Plan identifies 232 households with one or more handicapped individuals, representing approximately 1.3 percent of the City's total households in 1988. Of these 232 households, 53.5 percent were small family households, 21 percent were comprised of elderly households, 13 percent were classified as large families, and 12.5 percent were single persons.

Housing opportunities for the handicapped can be maximized through housing assistance programs, single-level units, ground floor units, and units which incorporate design features such as widened doorways, access ramps, and lowered countertops. The Housing Element sets forth policies to



implement State standards for the provision of handicapped accessible units in new development, and in addition, to encourage housing which is provided for the handicapped to be located in close proximity to public transportation and services. The Fair Housing Act of 1988 requires owners/landlords of rental housing to permit reasonable modifications to be made to the unit to improve handicapped accessibility at the expense of the tenant.

**Female-Headed Households:** Female-headed households tend to have low incomes, thus limiting housing availability for this group. In 1980, 20.5 percent of all households were headed by a woman in Santee, 32 percent of which earned incomes below the poverty level. Applying this percentage to the City's 1988 housing stock translates to an estimated 3,598 female-headed households, nearly one-fifth of which have dependent children under 18 years of age. Providing housing opportunities for female-headed households relates both to affordability and child care services. The Housing Element sets forth policy to encourage the development of childcare facilities coincident with new housing development, and to consider the use of incentives such as density bonus, reduced development fees and/or financial assistance.

**Farmworkers:** The special housing needs of many farmworkers stem from their low wages and the insecure nature of their employment. According to the 1980 Census, 1.1 percent of residents in the Santee CDP were employed in farming, forestry, or fishing. Applying this proportion to 1988 population figures translates to an estimated 272 Santee residents employed in agricultural-related fields. The demand for housing generated by farmworkers in the City is thus estimated to be extremely low. Nonetheless, housing opportunities for farmworkers can be enhanced by expanding the City's affordable housing stock.

**Military:** Military households are also considered a group with special housing needs because of their lower incomes and uncertain length of residency. The U.S. Government has conducted a survey of all military households by zip code as of September 1988. According to this survey, 2,897 military households (5.7%) exist within the zip code that includes Santee (92071). This figure includes all branches of the military, retired, and dependents of military personnel. By comparison, the 1986 Series 7 report indicates that 12.6 percent of all employed persons in San Diego County and 9.4 percent of those in the City of San Diego work in branches of the military. Housing opportunities for this special needs group can be enhanced by increasing the City's affordable housing stock.

**Homeless:** Throughout the country, homelessness has become an increasing problem. Factors contributing to the rise in homeless include lack of housing affordable to low and moderate income persons, increases in the number of persons whose incomes fall below the poverty level, reductions in public subsidy to the poor, and the de-institutionalization of the mentally ill. According to the San Diego County Sheriff's Department, approximately 30 homeless individuals reside in Santee. The City's



homeless consist primarily of persons under the age of 18, and individuals in their early 20s and 30s. The majority of these people are white males; very few families are represented. An additional fifteen persons live in automobiles, continually relocating from parking lot to parking lot in the Santee area.

The Heartland Human Relations Association (HHRA) of the East County, located in the City of La Mesa, is a privately-owned agency that provides counseling services, shelter, employment referrals, and emergency food to the homeless in the area. Between January through March of 1989, the HHRA provided aid to 156 homeless persons. The number of persons seeking aid from the agency has increased significantly within the last five years. Although the HHRA does not provide shelter, it does refer persons seeking shelter to several homeless shelters, most of which are located in downtown San Diego. They also refer some to the East County Emergency Shelter in El Cajon, and to local churches that operate on a revolving shelter system.

The City of Santee currently contributes CDBG funding to HHRA for fair housing counseling services. This program has been funded by the City for several years, with funds previously coming from the General Fund. In addition to contributions to the HHRA, the City also provides funding assistance to the Santee Food Bank. In 1989, the Food Bank received \$8,000 in GRS funds from the City.

The Housing Element calls for the City to coordinate with local social service providers to address the needs of the City's homeless population. In addition, the element sets forth policies for the provision of transitional housing in residential zones close to services, subject to the granting of a Conditional Use Permit (CUP). Emergency shelters may also be permitted in commercial and industrial zones, subject to a CUP. Conditions for the CUP shall be standardized and objective, and no more restrictive than those for similar uses. If a local organization has identified a proposed shelter site which is otherwise satisfactory but requires rezoning, the City will consider initiating the rezoning depending on the compatibility with surrounding areas, and will also consider waiving the processing fees associated with the rezoning.



## 2.2 Housing Constraints

Actual or potential constraints on the provision and cost of housing affect the development of new housing and the maintenance of existing units for all income levels. Market, governmental, infrastructural, and environmental constraints to housing development in Santee are discussed below.

### 2.2.1 Market Constraints

The high cost of renting or buying adequate housing is the primary ongoing constraint to providing adequate housing in the City of Santee. High construction costs, labor costs, land costs, and market financing constraints are all contributing to increases in the availability of affordable housing.

**Construction Costs:** The single largest cost associated with building a new house is the cost of building material, comprising between 40 to 50 percent of the sales price of a home. Overall construction costs rose over 30 percent between 1980 and 1988, with the rising cost of energy a significant contributor. Construction costs for wood frame, single-family construction of average to good quality range from \$40-\$55 per square foot, with custom homes and units with extra amenities running somewhat higher. Costs for wood frame, multi-family construction average around \$42 per square foot, exclusive of parking. City subsidies to on- and off-site improvement costs may assist in the provision of affordable housing units.

**Land:** Land costs include the cost of raw land, site improvements, and all costs associated with obtaining government approvals. The price of land as a percentage of new home costs has risen steadily since 1970, increasing state-wide from 21 percent to 27.8 percent in 1980. The shrinking supply of available land in the Southern California region has accounted for steady increase in raw land costs. Marginal lands, such as those in Santee's hillside areas which are open to development, will require greater site improvements to render them developable, factoring into the price of land.

Higher density zoning could reduce the cost per unit of land, but land zoned for higher densities generates more costs in providing community services such as schools, parks and roadways, and commands a higher market price. For this reason, density bonuses rather than zone changes may be the preferred vehicle for reducing land costs. The Housing Element identifies the use of land assemblage and write-down as an incentive for the provision of affordable units.



**Labor Costs:** Labor is the third most expensive component in building a house, constituting an estimated 17 percent of the cost of building a single-family dwelling. The cost of union labor in the construction trades has increased steadily since April 1974. The cost of non-union labor, however, has not experienced such significant increases. Because of increased construction activity, the demand for skilled labor has increased so drastically that an increasing number of non-union employees are being hired in addition to unionized employees, thereby lessening labor costs.

**Financing:** Although the 6 percent drop interest rates since the early 1980s has been significant, it should be noted that most conventional financing is now variable rate. The ability of lending institutions to raise rates to adjust to inflation will cause many existing households to overextend themselves financially, as well as returning to a situation where high financing costs substantially constrain the housing market.

Interest rates are determined by national policies and economic condition, and local governments can do very little to affect these rates. Jurisdictions can, however, offer interest rate write-downs to extend home purchase opportunities to lower income households. The Housing Element sets forth policies that encourage the use of favorable home purchase techniques, such as shared equity and limited equity cooperatives, as might become available through institutions and public and private agencies. In addition, incentives are provided for the conversion of existing mobilehome parks to resident ownership.

**Profit, Marketing, and Overhead:** Rising marketing and overhead costs have contributed to the rising costs of housing. Inflation has spurred much of the increase in marketing and overhead. Intense competition among developers has necessitated more advertising, more glamorous model homes, and more expensive marketing strategies to attract buyers.

## 2.2.2 Governmental Constraints

Housing affordability is affected by factors in both the private and public sectors. Actions by the City can have an impact on the price and availability of housing in the City. Land use controls, site improvement requirements, building codes, fees and other local programs intended to improve the overall quality of housing may serve as a constraint to housing development.

**Land Use Controls:** As indicated in the following section, Housing Opportunities, an estimated 3,009 to 11,821 new residential dwelling units could be developed on vacant lands in Santee under the General Plan. SANDAG has estimated a housing need of 2,920 units in the city from January 1989 through July 1996. The Plan thus provides for a residential development capacity which is more than adequate to serve projected future housing demand. The Land Use Plan cannot therefore be interpreted as a constraint to the provision of affordable housing, particularly since 1,953 to 3,390 units are designated for multi-family use up to 22 dwelling units per gross acre, and can more readily be priced to meet the needs of lower income households.



**Building Codes and Enforcement:** The City of Santee's building code is based upon the State Uniform Administrative Code and is considered to be the minimum necessary to protect the public's health, safety, and welfare. The City's recently amended Fire Code requiring sprinklering on new residential construction is expected to add an additional \$1.00 to \$1.50 per square foot to the cost of development. This requirement will minimize the loss of life resulting from residential fires.

In terms of the existing housing stock, substandard housing conditions in the City are abated primarily through code compliance. Identification of code violations are primarily based on citizen complaints. Property owners are advised by the City of available rehabilitation programs to assist in the correction of code violations.

**Fees and Improvements:** Various fees and assessments are charged by the City to cover the costs of processing permits and providing services and facilities, such as utilities, schools, and infrastructure. Almost all of these fees are assessed through a pro rata share system, based on the magnitude of a project's impact or on the extent of the benefit which will be derived. Table 35 in the Technical Data Report lists Santee's residential fees; the City's fees are comparable with other Southern California jurisdictions. These fees, however, contribute to the cost of housing and may constrain the development of lower priced housing units. The City currently provides for reduced processing fees for mobilehome subdivisions. Certain residential development fees may be reviewed to determine if waiver or subsidy by the City may be beneficial for the provision of lower income and senior citizen housing. A fee reimbursement program for affordable housing could be financed by the City's redevelopment set-aside fund.

**Local Processing and Permit Procedures:** The evaluation and review process required by City procedures contributes to the cost of housing in that holding costs incurred by developers are ultimately manifested in the unit's selling price. Residential projects in Santee generally receive concurrent processing, thereby shortening review time and minimizing related holding costs.

### **2.2.3 Infrastructure Constraints and Freeway Development**

Deficiencies existing in infrastructure and public services may constrain the development of lower priced units. In addition, development of new freeway corridors can result in the displacement of existing households located in the freeway right-of-way.

**Water and Sewer Utilities:** The Padre Dam Municipal Water District provides both water and sewer services to Santee, with supplemental services provided by the Mt. Helix Water District to portions of the City. At present, the District indicates adequate capacity is available to meet the City's projected water and sewer needs. The District is currently reviewing several programs to expand the District's sewer capacity to meet



the City's future needs. The District is limited in its ability to provide water service to some development in hillside areas. As the City continues to urbanize, many areas will require the extension of water and sewer service mains and the construction of water tanks at non-serviceable elevations to facilitate future growth. To ensure that all new housing development and redevelopment in Santee will have adequate infrastructural facilities, the Housing Element calls for the monitoring of the amount and geographic location of development so that City services and facilities can accommodate that growth.

**Education:** Increases in the number of families with school-aged children have resulted in overcrowding in some schools in Santee. The Santee School District anticipates reaching maximum capacity within the next two to three years, at which time the District will apply for State funding for the construction of additional school facilities. State school funding is limited, however, and developer fees levied by the District on new construction cover only a fraction of the cost of the educational needs generated by new development. A significant factor in the magnitude of future school overcrowding in Santee will be the phasing of development in Fanita Ranch.

It should be noted, however, that a second high school in the Santee area (West Hills High School) is under construction outside City limits on its western boundary. Currently the school site is within San Diego City limits, but the City of Santee has pre-zoned the area and initiated annexation proceedings. The school is part of the Grossmont Union High School District.

**Police:** Police protection is provided by the San Diego County Sheriff's Department under contract with the City. A contract for law enforcement services can be written for any level of service desired by the City. As residential growth generates increases in Santee's population, additional police officers and patrol units will be necessitated. Assuming the City's capability to finance additional police services, adequate police protection will be available to serve future development in Santee.

**Freeways:** The California Department of Transportation (CalTrans) is planning to construct two freeways (State Routes 52 and 125) through the City of Santee, both of which will displace housing located in the freeway rights-of-way. Within the five year timeframe of this Housing Element, SR 52 will be built as far as Mast Boulevard, potentially reaching the connection to SR 125 at Fanita Avenue. However, it will not be built to SR 67 within the timeframe of the Housing Element. Several homes are projected to be displaced from the acquisition of the freeway rights-of-way for construction of the freeway. Although the exact route of SR 125 has not been finalized, the Fortuna/Prospect alignment for SR 52 was adopted under the CalTrans Final EIS for SR 52 in July, 1989.



The projected number of units which would be displaced as a result of SR 52 totals 690 dwellings, including 280 mobile homes from four parks. This accounts for approximately 4 percent of the City's dwelling units and 13 percent of its mobile homes. Federal relocation assistance is required for displaced persons under the Federal Uniform Relocation Assistance and Real Properties Acquisition Policies Act. Eligible displacees would receive moving expenses and supplemental payments to compensate for increased home costs, increased interest costs, and other expenses. Construction of replacement housing could also be required if comparable replacement housing is not available.

CalTrans also has the Mobile Home Relocation Assistance Program which provides specific relocation advisory assistance, moving payments, and supplementary payments for owners and tenants of mobile home parks. If possible, relocation will be into existing parks. If necessary, however, expansion of an existing park or a new park will be built. Mobile home residents require special assistance because of the limited number of available spaces in existing mobile home parks and the unique atmosphere that mobile home parks provide to their predominantly elderly residents.



## **2.3 Housing Opportunities**

This section evaluates the potential residential development which could occur under the Santee General Plan.

### **2.3.1 Vacant Sites**

Figure 2 illustrates vacant land potentially suitable for residential development in Santee.

Table 3 provides a breakdown of the number and type of additional residential dwellings which could be constructed in Santee under the General Plan. Due to the uncertainty of residential densities in the Fanita Ranch area since a Specific Plan has not yet been adopted for this area, the residential development potential in this area represents that specified in the City's Land Use Element. The actual number and type of units permitted in Fanita Ranch will be defined in a Specific Plan.

Table 3 identifies 4,280 acres of vacant land in Santee planned for residential densities varying from estate housing on minimum one acre parcels to higher densities of up to 22 dwelling units per gross acre. The residential density ranges for each land use category are intended as an expression of the extreme limits of densities which are reasonable and desirable for areas within the City. For each residential density range indicated, with the exception of Hillside Limited Residential, the lowest end of the density range could be expected to be approved on any given project. Approval of a density higher than the minimum of the range is a discretionary action and is a function of a combination of a series of criteria which are specified in the City's Land Use Element. The potential number of dwelling units in the HL, R-1, R-2 and Fanita Ranch Specific Plan area may be affected by the City's Hillside Overlay District which further restricts density if the property has an average natural slope greater than 10 percent.

Land in the highest density category of 14 to 22 dwelling units per gross acre is located primarily in the central portion of the City. The City has identified the Town Center area as the location for higher density residential development, including senior housing. Approximately 42 of the total 158 acres of residentially planned land in the Town Center may be constrained from development in the immediate future due to their adjacency to a temporary county jail facility.

The City also permits in its Office Professional zone the development of senior housing with a density range of 14 to 22 dwelling units per gross acre. Currently, close to 15 acres of Office Professional land is vacant and has the potential to develop residentially.



# CITY OF SANTEE GENERAL PLAN

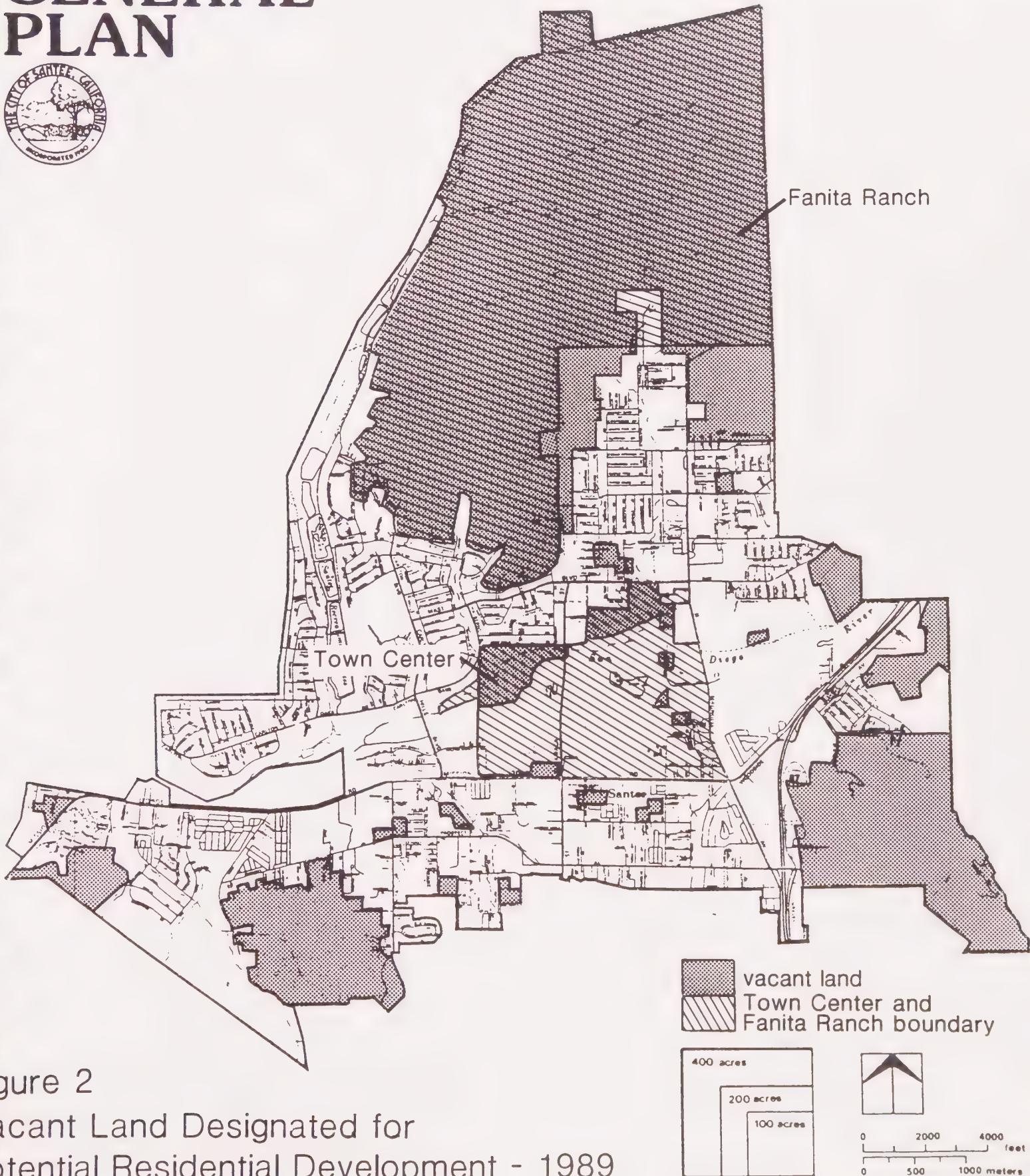


Figure 2  
Vacant Land Designated for  
Potential Residential Development - 1989

Source: City of Santee  
Prepared by: Cotton/Beland/Associates, Inc.



**TABLE 3**  
**HOUSING UNIT POTENTIAL ON VACANT POTENTIAL DEVELOPABLE LAND - 1989**

General Plan Designation	Acreage	Potential Dwelling Units(a)	Population Capacity(b)
HL-Hillside Limited Residential (0-1 du/gr.ac.)	650	0 - 650	0 - 1,820
R-1 - Low Density Residential (1-2 du/gr.ac.)	718	718 - 1,436	2,010 - 4,021
R-2 - Low-Medium Density Residential (2-5 du/ac.gr.)	169(c)	338 - 845	946 - 2,366
R-7 - Medium Density Residential (7-14 du/gr.ac.)	107	749 - 1,498	2,097 - 4,194
R-14 - Medium-High Density Residential (14-22 du/gr.ac.)	86(d)	1,204 - 1,892(e)	3,380 - 5,298
Specific Plan(f)	2,550	0 - 5,500	0 - 5,400
Total	4,280	3,009 - 11,821	8,433 - 33,099

- (a) Does not account for Hillside Overlay requirements for the HL, R-1 and R-2 zones which reduce allowable densities up to 75 percent of the base density in areas with an average slope of 10 percent or greater.
- (b) Assumes 2.8 persons/household.
- (c) Includes 17 acres of land currently occupied by radio towers. As land surrounding this parcel develops, it is anticipated this use will be discontinued.
- (d) Includes 14.8 acres vacant land designated Office Professional which permits senior housing at 14-22 dwelling units per gross acre. The City currently has two senior housing proposals on this acreage. This category also includes 19 acres of land currently occupied by radio towers. The City has been informed that the radio station on this site intends to move.
- (e) An estimated 476-924 of these dwelling units are not anticipated to be developed in the five year period of the Housing Element due to their adjacency to a temporary county jail facility.
- (f) The total acreage of the Fanta Ranch Specific Plan Area is 2,550. The amount to be designated residential is unknown. The estimated residential buildup in the Fanta Ranch Specific Plan Area, as identified in the Land Use Element as of July, 1989, is 5,500. The actual number of residential units which will eventually be approved for the Ranch is also unknown at this time.



### **2.3.2 Local Employment Market**

The San Diego region serves as a major center of employment on the West Coast. SANDAG's Series 7 Regional Growth Forecast projects significant growth in the region's employment base, an estimated 556,000 new jobs to be added by the year 2010 representing an increase of 61 percent. Within Santee, approximately 10,000 new jobs are projected through 2010, representing nearly a 100 percent increase over 1986 employment. Such expanded opportunities for employment will continue to attract new residents to Santee.



## **3.0 HOUSING ELEMENT GOALS AND POLICIES**

This section of the Housing Element contains the goals and policies the City intends to implement that address a number of important housing-related issues. Four major issue areas are addressed by the goals and policies of the Housing Element: (1) Ensure that a broad range of housing types are provided to meet the needs of both existing and future residents; (2) increase the supply of sound, affordable housing through the rehabilitation of substandard housing units; (3) maintain the supply of sound, affordable housing through the conservation of existing sound housing stock; and (4) promote equal opportunity of housing choice for all residents. Each issue area and the supporting goals and policies are identified and discussed in the following section.

### **3.1 Housing Opportunities**

The City encourages the construction of new housing units that offer a wide range of housing types to ensure that an adequate supply is available to meet existing and future needs. The maintenance of a balanced inventory of housing in terms of unit type (e.g. single-family, multiple-family, etc.), cost, and style will ensure that the existing variety is maintained. Areas of the City have a distinct character due in large part to the density and housing type of their existing residential neighborhoods. New housing constructed in the City should reflect the character and density of the surrounding neighborhood in particular and the City in general.

**GOAL 1: Encourage the provision of a wide range of housing by location, type of unit, and price to meet the existing and future needs of Santee residents.**

- Policy 1.1** Provide a variety of residential development opportunities in the City, ranging in density from very low density estate homes to medium-high density development, as designated on the Land Use Map.
- Policy 1.2** Encourage both the private and public sectors to produce or assist in the production of housing, with particular emphasis on housing affordable to lower income households, as well as the needs of the handicapped, the elderly, large families, and female-headed households. Utilize redevelopment set-aside funds to facilitate the provision of affordable units.
- Policy 1.3** Respond to State-mandated requirements for the development of low and moderate income housing by allowing developers a 25 percent density bonus or other financial incentive for providing at least 25 percent of the units in a project for low and moderate income residents. Provide rental assistance vouchers, as available, for some or all of the affordable units provided.



Policy 1.4 Require that housing constructed expressly for low and moderate income households not be concentrated in any single area of Santee.

Policy 1.5 Encourage and activate the development of housing for the elderly through use of incentives such as density bonus, project-based rental assistance, provision of infrastructure, land or interest rate write-downs and fee waivers.

Policy 1.6 Re-evaluate the City's current density incentives in the Zoning Ordinance for low/moderate senior units and revise to reflect realistic increases that could be granted, similar to that currently provided by State law.

Policy 1.7 Actively market the shared housing program sponsored by the East County Council on Aging as an option for seniors to share existing housing in the community.

Policy 1.8 Encourage the development of residential units which are accessible to handicapped persons or are adaptable for conversion to residential use by handicapped persons.

Policy 1.9 Encourage development of new housing units designated for the elderly and disabled persons to be in close proximity to public transportation and community services.

Policy 1.10 Encourage the development of child care facilities coincident with new housing development, and consider the use of incentives such as density bonus, reduced development fees and/or financial assistance.

Policy 1.11 Coordinate with local social service providers to address the needs of the City's homeless population. Amend the Zoning Ordinance to permit the development of transitional housing in the City's multi-family residential zones and/or the Office Professional and General Commercial zones, in locations close to services, subject to Conditional Use Permit. Amend the Zoning Ordinance to permit emergency shelters in commercial and industrial zones, subject to a CUP. Conditions for the CUP shall be no more restrictive than those for similar uses.

Policy 1.12 Facilitate timely building permit and development plan processing for residential construction.

Policy 1.13 Encourage the use of favorable home purchasing techniques, such as municipal mortgage loans, shared equity and limited equity cooperatives, as might become available through public and private agencies and institutions.



**Policy 1.14** Encourage the use of energy conservation devices such as low flush toilets and weatherization improvements, along with passive design concepts which make use of the natural climate, to increase energy efficiency and reduce housing costs.

**Policy 1.15** Ensure that all new housing development and redevelopment in Santee is properly phased in amount and geographic location so that City services and facilities can accommodate that growth.

**Policy 1.16** Encourage the development of new mobile home park subdivisions through density bonus incentives and/or reduction or waiver of development fees.

### **3.2 Accessibility of Housing**

Housing opportunities in the City must be made available to all persons regardless of age, income, or race. The diverse make-up of the San Diego region will continue to attract a wide variety of people. The City has made a strong and firm commitment that fair housing practices will continue in Santee.

**GOAL 2:** Promote equal opportunity for all residents to reside in the housing of their choice.

**Policy 2.1** Prohibit discrimination in the sale or rental of housing with regard to race, ethnic background, religion, handicap, income, sex, age and household composition.

**Policy 2.2** Continue active support and participation with the Heartland Human Relations Association to further spatial deconcentration and fair housing opportunities.

### **3.3 Maintenance and Preservation of Housing**

Substandard and deteriorating housing units, in addition to the obvious problems of blight, can expose occupants to hazards ranging from electrical fire to exposure to toxic substances used in construction. Many factors can determine the "life expectancy" of a dwelling including quality of workmanship, age, type of construction, and location. A major focus of this Housing Element is to provide goals and policies which underscore the City's commitment to ensure that substandard housing units are rehabilitated and that units which are currently sound are adequately maintained.

**GOAL 3:** Increase the supply of sound housing at prices affordable by all segments of the community through the rehabilitation of substandard housing units.

**Policy 3.1** Advocate the rehabilitation of substandard residential properties by homeowners and landlords.



**Policy 3.2** Continue existing residential rehabilitation programs which provide financial and technical assistance to lower income property owners to enable correction of housing deficiencies which could not otherwise be undertaken, and consider expanding these programs through use of the Redevelopment Set-Aside Fund.

**Policy 3.3** Focus rehabilitation assistance in the City's Neighborhood Revitalization Areas in order to create substantive neighborhood improvement and stimulate additional unassisted improvement efforts.

**Policy 3.4** Continue to utilize the City's code enforcement program to bring substandard units into compliance with City codes and to improve overall housing quality and conditions in Santee.

**Policy 3.5** Mitigate the displacement impacts occurring as a result of residential demolition through unit replacement or relocation of tenants.

**GOAL 4:** Maintain the supply of sound, affordable housing in Santee through the conservation of the currently sound housing stock.

**Policy 4.1** Encourage the retention of existing single-family residential neighborhoods which are economically and physically sound, and monitor the effect of growth and change.

**Policy 4.2** Encourage the retention of existing, viable mobile home parks which are economically and physically sound.

**Policy 4.3** Promote increased awareness among property owners and residents of the importance of property maintenance to long-term housing quality.

**Policy 4.4** Encourage vigorous enforcement of existing building, safety, and housing codes to promote property maintenance.



## **4.0 IMPLEMENTATION/HOUSING PROGRAM**

### **4.1 Introduction and Background**

The Housing Element describes the housing needs of the City's current and projected population, as well as the specific needs resulting from the deterioration of older units, lack of affordable housing for lower income groups, and special needs for certain segments of the City's population. The goals and policies contained in the Housing Element address the City's identified housing needs. These goals and policies are implemented through a series of housing programs that are funded and administered through a variety of local, regional, State and Federal agencies.

Actions included in these housing programs must address five specific areas, as enumerated below:

- Conserving and improving the condition of the existing stock of affordable housing.
- Providing adequate sites to achieve a variety and diversity of housing.
- Assisting in the development of affordable housing.
- Removing governmental constraints if necessary.
- Promoting equal housing opportunity.

Santee's housing program for addressing unmet housing needs is described in Section 4.4 of this chapter according to the foregoing categories. The overall program strategy developed incorporates what has been learned from the prior Housing Element (Section 4.2) and embodies a major new source of program funding--Redevelopment Set-Aside (Section 4.3). Programs are also reflective of Santee's recent status as an entitlement City with discretion over expenditure of CDBG funds.<sup>(a)</sup>

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(a) As a recent entitlement City in the Community Development Block Grant (CDBG) Program, the City of Santee is now responsible for administering its own CDBG-funded housing programs. The CDBG programs identified in this element reflect the City's initial first-year commitment of CDBG funding. The City has indicated it intends to establish new programming of CDBG funds to address the stated goals and policies of this Housing Element. Several new programs have been proposed in the Housing Element to address Santee's housing needs which could benefit from CDBG funding in the future.



## 4.2 Evaluation of Accomplishments Under 1984 Housing Element

State Housing Element law requires communities to assess the achievements under adopted housing programs as part of the five year update to their housing elements. The City of Santee's first Housing Element was adopted August 15, 1984. As part of this Housing Element, the results of this assessment have been quantified where possible (e.g., rehabilitation results) but are qualitative where necessary (e.g., mitigation of governmental constraints). These results are then compared with what was projected or planned in the earlier element. Where significant shortfalls exist between what was planned and what was actually achieved, the reasons for such differences are discussed.

The Santee 1984 Housing Element sets forth a series of quantified objectives which specify numerical targets for housing assistance to be achieved over the mid-1984 to mid-1989 time period of the Housing Element. The following section examines the actual progress made towards achieving these housing objectives. The results of this analysis has been utilized to refine and augment the City's existing housing programs to develop an overall strategy to adequately address the community's identified housing needs. This strategy is presented in Section 4.4 (Housing Programs) of this Housing Element.

**Objective 1.0:** To improve at least 15% of the housing units which are in need of fix-up/paint-up repairs and/or minor rehabilitation. (The estimated need is 659 housing units.)

**Accomplishment:** The San Diego County Housing Authority, pursuant to its agreement with the City, issued 165 weatherization grants and 163 grants for the elderly/disabled for housing rehabilitation. The primary reason for the shortfall in meeting the identified minor rehabilitation needs was that the County was handling Santee's CDBG rehabilitation programs up to 1988 with limited staffing, funding and community outreach. Santee now operates its own CDBG programs with staff dedicated to this function. CDBG rehabilitation loans permit general property and minor rehabilitation improvements after substandard conditions are corrected. The Housing Element sets forth a 5-year rehabilitation goal for 200 owner and 100 renter units.

**Objective 2.0:** To improve at least 15% of the housing units which are in need of major rehabilitation. (The estimated need is 167 housing units).

**Accomplishment:** Under the auspices of the County, CDBG rehabilitation loans have been offered to low and moderate income homeowners. During the 1984-1989 period, a combination of deferred payment and interest subsidy loans were granted to 107 mobilehome and eight single family units for needed rehabilitation improvements. Now that Santee has become an entitlement city and operates its own CDBG program, the City's rehabilitation efforts will be more aggressive. The City has hired a full-time staff person to oversee its CDBG programs and has established a 5-year rehabilitation goal of assistance to 200 owner and 100 renter units.



**Objective 3.0:** To aid at least 15% of the lower income renter households who have housing assistance needs. (The number of needy households is estimated to be 666).

**Accomplishment:** As of May 1989, the City of Santee had a total of 155 Section 8 housing vouchers and certificates under lease. As the limited availability of Federal rent subsidies prevents the City from meeting its rental assistance goals, the Housing Element recommends the use of redevelopment set-aside funds to augment available rent subsidies. While no additional affordable housing projects have been developed in the City since 1984, a senior housing project, with a portion of the units set aside for low and moderate income seniors under the City's density bonus program, has been proposed. Redevelopment monies will be used to provide incentives (such as land writedowns) for affordable unit construction.

**Objective 4.0:** To assist at least 40% of the moderate income renter household to obtain ownership housing. (The number of needs households is estimated to be 121).

**Accomplishment:** Since adoption of the 1984 Housing Element, the City has not yet provided any assistance in this area. A major new funding source, redevelopment set-aside, is permitted to be used for assistance to moderate income households. The Housing Element sets forth a new redevelopment funded program to provide down payment assistance to renter households. In addition, by expanding incentives for the creation of mobilehome subdivisions, additional renter households may be afforded the option of home purchase.

**Objective 5.0:** To assist resident homeowners to reduce housing expenses (to the extent possible).

**Accomplishment:** The City co-sponsored a MPAP application which resulted in \$793,800 in funding for the resident conversion of Highlands Mobile Home Estates. In additon, the City has recently initiated a program to provide \$50 monthly rental vouchers to lower income senior mobilehome residents.

**Objective 6.0:** To produce new housing consistent with projected housing needs to the maximum extent possible.

**Accomplishment:** The City of Santee developed a comprehensive Zoning Ordinance in July 1985 to implement the City's General Plan. The Zoning Ordinance contains a density bonus provision as an incentive for the development of low/moderate and senior housing. In addition, a recent amendment to the ordinance provides for density and fee reduction incentives for the development of mobile home park subdivisions. These provisions have been established in an attempt to provide housing to meet the needs of those groups not adequately provided for in the market.



## **4.3 Redevelopment Set-Aside Fund**

### **Legislative Background**

State Redevelopment Law provides the mechanism whereby cities and counties within the state can, through adoption of an ordinance, establish a redevelopment agency. The Agency's primary purpose is to provide the legal and financial mechanism necessary to address blighting conditions in the community through the formation of a redevelopment project area(s). Of the various means permitted under State Law for financing redevelopment implementation, the most useful of these provisions is tax increment financing. This technique allows the assessed property valuation within the Redevelopment Project Area to be frozen at its current assessed level when the redevelopment plan is adopted. As the property in the project area is improved or resold, the tax increment revenue generated from valuation increases above the frozen value is redistributed to the redevelopment agency to finance Redevelopment Project costs.

In general, many early redevelopment projects focused primarily upon demolition of blighted residential buildings and development of new non-residential uses or upper income residential projects. While these types of projects worked to eliminate blighting conditions, they did little or nothing to aid the mostly low and moderate income residents of the housing that was demolished, in addition to having a negative impact on a community's supply of affordable housing. To address the problems that arose with regard to the effect of redevelopment on low and moderate income housing, the state legislature enacted a series of changes to Community Redevelopment Law which require redevelopment agencies to undertake activities which will assist in the production of low and moderate income housing.

The legislative requirements regarding low and moderate income housing generally fall into three basic categories: 1) expenditure of 20% of the tax increment revenue to increase and improve the supply of low and moderate income housing in a community; 2) requirements that redevelopment agencies replace low and moderate income housing which is destroyed as a result of a redevelopment project; and 3) requirements that a portion of all housing constructed in a redevelopment project area be affordable to low and moderate income persons and families. The requirement for redevelopment agencies to set aside 20% of a project's tax increment for low and moderate income housing can provide a significant source of funding for implementation of a community's housing programs.

### **Santee**

In 1982, the Santee Redevelopment Agency began its efforts to reverse the economic decline of the City's most blighted commercial and residential neighborhoods. The Santee Redevelopment Project Area and Subareas were formed in 1982, with 20% of the tax increment generated in these areas set aside in a low and moderate income housing fund. (Figure 3 delineates the Santee Redevelopment Area.) The Santee Redevelopment Agency has indicated that approximately \$2.2 million dollars is currently available for expenditure from the Redevelopment Set-Aside Fund.



# CITY OF SANTEE GENERAL PLAN



Figure 3  
Santee Redevelopment Area

Source: City of Santee  
Prepared by: Cotton/Beland/Associates, Inc.



In 1988, AB 4566 mandated that redevelopment agencies with "excess surplus" monies in their housing set aside funds must either spend these funds within five years or else transfer them to another local housing authority for expenditure. State law sets forth a variety of options for localities to expend their housing funds, including the following:

- Land Disposition and Write-Downs
- Site Improvements
- Loans
- Issuance of Bonds
- Land and Building Acquisition by Agencies
- Direct Housing Construction
- Housing Rehabilitation Programs
- Rent Subsidies
- Predevelopment Funds
- Administrative Costs for Non-Profit Housing Corporations

The City of Santee is in the process of developing an overall strategy for expenditure of its redevelopment set-aside fund. As the fund is not restricted to assisting only lower income households (as are many of the City's other funding sources), the City may be interested in targeting a portion of it towards increasing homeownership opportunities for moderate income households. A significant portion of the fund may be utilized to provide relocation assistance to households which are displaced as a result of the construction of the SR 67 interchange at Hartley Road on the eastern end of the City. Other proposals include land write downs for senior/affordable rental projects, augmenting funding to existing rental assistance and housing rehabilitation programs, development fee reductions, conservation of existing subsidized housing, and shared equity arrangements. Based on the City's preliminary strategy for expenditure of its set-aside fund, several of the Housing Element's programs have identified the redevelopment set-aside fund as a potential source of program funding, as outlined in Table 4 of this Housing Element.

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(a) Excess surplus is defined as any unexpended and unencumbered balance in an agency's Low and Moderate Income Housing Fund that exceeds the greater of five hundred thousand dollars or the aggregate amount deposited into the Fund pursuant to Community Redevelopment Law (Health and Safety Code Sections 33334.2 and 33334.6) during the agency's preceding five fiscal years.



## **4.4 Housing Programs**

Santee's overall housing program strategy for addressing its unmet housing needs has been defined according to the following issue areas:

- ° Conserving and improving the condition of the existing stock of affordable housing.
- ° Providing adequate sites to achieve a variety and diversity of housing.
- ° Assisting in the development of affordable housing.
- ° Removing governmental constraints if necessary.
- ° Promoting equal housing opportunity.

Housing programs include: programs which were set forth in the previous 1984 Housing Element; programs which the City has undertaken since adoption of the prior Housing Element; and new programs which have been added to address an unmet housing need. This section provides a description of each housing program, any previous program accomplishments, and future program goals. The Housing Program Summary at the end of this section (Table 4) summarizes the future 5-year goals of each program, along with identifying the program funding source, responsible agency, and time frame for implementation. Program goals have been developed consistent with the City's Housing Assistance Plan.

### **4.4.1 Conserving and Improving Existing Affordable Housing**

The State of California has made housing preservation and conservation a high statewide priority. While most of Santee's housing stock is in good condition, a large proportion of the City's housing is nearing 30 years of age, indicating the need for continued maintenance to prevent widespread housing deterioration. A windshield survey of housing conditions in the City, conducted in December 1988, identified some concentrated areas of housing deterioration primarily in the southern portion of the City along Prospect Avenue and its side streets; this area is encompassed within the City's Neighborhood Revitalization Areas (refer to Figure 1) which have been targeted for rehabilitation funds.

#### **Title 25 of the California Administrative Code**

Chapter 2 of Title 25 is the Mobilehome Parks Act. Article 10 deals with the maintenance, use and occupancy requirements of mobilehome parks. The purpose of this article is to implement, interpret and make specific the requirements of the Health and Safety Code as it pertains to mobilehome parks. The quality of mobile homes in Santee as well as the abatement of substandard conditions are regulated by Chapter 2 of Title 25.



Among the conditions regulated by Chapter 2 are the following:

- Electrical, gas and plumbing equipment.
- Accumulation of refuse, garbage, rubbish or debris.
- Building and park lighting.
- Driveways and access to driveways.
- Substandard building (defined in Section 1640 of Article 10 as having inadequate sanitation; structural hazards; nuisances; inadequate wiring, plumbing and mechanical equipment; faulty weather protection, etc.).

The provisions of Article 10 are implemented on an ongoing basis in Santee. The enforcement agency is the State Department of Housing and Community Development. The City also contracts with the San Diego County Health Department to enforce State Housing Law pertaining to sanitation, ventilation, use or occupancy of apartments, dwellings and hotels. The Health Department also issues occupancy permits for apartments and hotels and makes periodic inspections.

#### Uniform Administrative Code

Substandard housing conditions in the City are abated primarily by enforcement of the Zoning Ordinance and Uniform Administrative Code. The Uniform Administrative Code requirements relate principally to substandard structural conditions. These conditions are described in the "unsafe buildings" section of the Code. Implementation of these provisions of the Code for purposes of assuring housing quality are accomplished on an ongoing basis.

#### Condominium Conversion Regulations

The City's existing multi-family rental housing stock represents a source of affordable housing to many community residents. The conversion of these rental units into condominium ownership would result in the displacement of existing tenants. In order to minimize condominium conversion activity, the City's Subdivision Ordinance (Section 81.402) sets forth strict development and use standards for the conversion of apartments to condominiums.

Among the standards for conversion are the following:

- Bring the development into conformance with current Zoning Ordinance requirements for new development, and with all current State and County laws and regulations for new building construction.
- Provide an individual gas and/or electric metering system for each living unit.



- Provide trash enclosures to screen trash storage areas. These areas shall be enclosed with a solid masonry wall or solid wooden fences. This wall or fence shall be a minimum of six feet high.

Tentative maps for an apartment-to-condominium conversion also must be accompanied by an application for a Conditional Use Permit and meet all the applicable processing requirements and findings as set forth for a conditional use permit in the City's Zoning Ordinance. Implementation of these regulations occurs on a case-by-case basis. In addition, the right of first purchase is offered to existing tenants in all condominium conversions, pursuant to State Law.

### Mobile Home Conversion Regulations

Conversion regulations for mobile homes are contained in both Section 81.402 of the City Subdivision Ordinance and Section 17.22.030D of the Zoning Ordinance. The City Zoning Ordinance, through the Mobile Home Park Overlay District, regulates the rezoning of existing mobile home parks. Rezoning applications for property containing an existing mobile home park and zoned for such use must satisfy several requirements and standards. No application for a change of use of a mobile home park shall be approved unless the City Council can make the following findings:

- At the time the change of use is to be carried out, there will exist sufficient comparable mobilehome space vacancies within the City of Santee or other reasonable comparable locations to accommodate mobilehomes displaced by the change of use.
- That the age, type, size, and style of mobilehomes to be displaced as a result of the change of use will be able to be relocated into other mobilehome parks within the City of Santee or other reasonable comparable locations.
- If the mobilehome park is to be changed to another residential use, the mobilehome owners to be displaced shall be provided the right of first refusal to purchase, lease, rent or otherwise obtain residency in the replacement units. Relocation in replacement dwelling units shall not result in a displacement of unreasonable length for those mobilehome owners electing to relocate in these replacement units.
- The proposed change of use shall be consistent with the General Plan of the City of Santee and/or any valid specific plan for the mobilehome park site.
- Any mobilehome owners displaced as a result of the change of use shall be compensated by the applicant for all relocation costs as specified in Section 17.22.030 D.2.m of the Santee Zoning Ordinance.

These provisions assure that mobilehome park occupants are afforded some protection if an existing facility is to be rezoned for another use. In this way, a segment of Santee's existing affordable housing stock is protected.



### Conservation of Existing Subsidized Housing

A community's existing affordable housing stock is a valuable resource which should be conserved. There are three Federally-assisted apartment housing developments in Santee, totaling over 472 units of rental housing affordable to lower income households. These projects were approved and constructed prior to the City's incorporation. Woodglen Vista is a 188-unit, Section 8 New Construction project developed in 1978 and financed by the California Housing Finance Agency (CHFA). Rammton Arms and Carlton Country Club Villas were both constructed under the HUD Section 236 program in the early 1970s and contain 154 and 130 family dwelling units respectively. These three apartment complexes constitute nearly 10 percent of Santee's multi-family housing stock, representing a significant source of affordable housing for the community. However, according to a 1989 inventory prepared for the California Housing Partnership Corporation, both Rammton Arms and Carlton Country Club Villas are eligible to convert from Federally subsidized affordable housing to market rate rents within the next four years. While the mortgage runs for 40 years on these projects, project owners are eligible to prepay the loan and deregulate rents after 20 years, allowing for potential loan prepayment in December 1991 for Rammton Arms and in July 1993 for Carlton Country Club Villas. The forty year loan on Woodglen Vista could be prepaid in the year 1998.

In order to address this potential loss in the City's affordable housing stock, the City will consider allocation of redevelopment set-aside funds or other available funding sources to enable continued rental subsidy to some or all of these units. Local non-profit corporations will be contacted to solicit their interest in potentially taking ownership of these projects. The City will also inventory and gather information to establish an early warning system for publicly assisted housing projects which have the potential to convert to market rate. A recently enacted State General Obligation Bond program, Proposition 84, could potentially serve as a source of funds for unit acquisition/rehabilitation. The City recently applied for funding under this program.

All future projects in the City which receive public assistance (including density bonus units) shall have affordable housing covenants filed with the land to ensure the long-term affordability of the units.

### Residential Rehabilitation

Through the Community Development Block Grant (CDBG) program, HUD provides grants and loans to local governments for funding a wide range of community development activities. The City of Santee became an entitlement City in 1988 which allows the City to administer its own programs using CDBG funding. The City is in the initial stages of running its own CDBG programs and is currently using a portion of its CDBG monies to fund the following single-family rehabilitation loan programs:



Deferred Loan: This loan program offers zero interest rate loans to lower income homeowners for needed rehabilitation improvements. The total loan amount must be repaid when the property changes hands. Single-family homeowners may borrow up to \$18,000, and mobilehome owners may borrow up to \$4,000.

Interest Subsidy Loan: This loan program offers 5% interest rate loans for single-family home rehabilitation with repayment arranged by the financial institution involved. Loans are made for 100% of the total cost of home improvements up to a maximum of \$18,000, with the owner maintaining a minimum of 20% equity in the property. Mobilehome units do not qualify for loans under this program.

The deferred loan and interest subsidy programs have been successful under the auspices of the County, with 107 mobilehome and eight single-family units rehabilitated in Santee during the five year period of the Housing Element (July 1984 to July 1989). Their success can be expected to continue under the City's operation. A future assistance goal of 200 units for the 1989-1994 period has been established.

In addition to these single-family rehabilitation programs, the City should in the future consider a program for multi-family rehabilitation. While the City's multi-family housing is primarily new construction and in excellent condition, there are a few older apartment complexes in Santee in apparent need of rehabilitation. In addition, as the multi-family housing stock begins to age, the City will need to offer some form of multi-family rehabilitation assistance to prevent the deterioration of this housing stock. Santee could apply for Federal Rental Rehabilitation funds to be used for the rehabilitation of apartment buildings occupied by lower income tenants. The City could utilize these funds for multi-family housing rehabilitation as warranted in the future. A future five-year assistance goal of 100 units has been established.

### Uniform Housing Code

As discussed under the Housing Element program Title 25 of the Administrative Code, the City currently contracts with the County Health Department to enforce State Housing Law pertaining to sanitation, ventilation, use or occupancy of apartment complexes, single-family homes, and hotels. The Uniform Housing Code, if adopted, would expand the scope of substandard conditions which could be regulated by the City through the County Health Department. Chapter 10 of this Code defines the conditions constituting substandard buildings. These include the following:

- Inadequate sanitation
- Structural hazards
- Nuisances
- Hazardous wiring
- Hazardous plumbing
- Hazardous mechanical equipment
- Faulty weather protection
- Fire hazards



- Faulty materials of construction
- Hazardous or unsanitary premises
- Inadequate maintenance
- Inadequate exits
- Inadequate fire protection
- Improper occupancy

The provisions of the Uniform Housing Code relate only to existing dwellings and do not affect new construction. Adoption of the Code by Santee would enable the City to cause the correction of a larger range of substandard housing conditions, and to achieve abatement through established procedures.

#### **4.4.2 Provision of Adequate Housing Sites**

A key element in satisfying the housing needs of all segments of the community is the provision of adequate sites for housing of all types, sizes and prices. This is an important function in both zoning and General Plan land use designations. As a City with substantial vacant acreage available for future residential development ranging from Very Low to Medium-High densities, Santee offers the potential for a variety of housing types.

##### **Land Use Element/Zoning Ordinance**

Planning and regulatory actions to achieve adequate housing sites offering a range of housing types and styles include the Land Use Element of the General Plan and the Zoning Ordinance. The City's permitted density ranges are computed on basis of gross rather than net acreage, thus creating a higher yield of housing per net acre. The Zoning Ordinance contains density bonus as incentive for low/moderate income housing and senior housing, and is discussed in detail in Section 4.4.3.

##### **Site Suitability Criteria**

Low and moderate income housing development should be located on sites which are not only physically adequate but also suitable for such development. These aims can be facilitated by having a set of "site suitability criteria" by which to judge the merits of potential project sites. These criteria will provide a yardstick for the City to identify and evaluate potential sites for low and moderate cost housing. The City has established siting criteria for senior housing proposals requesting a density bonus. Criteria for affordable housing could be similarly implemented through the City's Zoning Ordinance.

In establishing its own criteria, the City should consider those already set forth by other jurisdictions, including the State and Federal governments. One example of such criteria is the "Site Ranking and Environmental Evaluation" checklist of the California Housing Finance Agency (CHFA). That checklist provides a system for grading the suitability of sites with regard to the following:



- ° Services available to the Site (e.g., public transportation, essential shopping facilities, educational facilities, etc.)
- ° Neighborhood Characteristics (e.g., adjacent land uses, environmental considerations, noise levels, etc.).
- ° Physical Aspects of the Site (e.g., topography, off-site improvements, etc.).

The individual grades are combined into a composite "score" which enables identifying the best site for the proposed publicly assisted housing. These detailed CHFA criteria, along with others which are generally employed will be considered by the City for incorporation into the Zoning Ordinance. The City's intent in adopting and implementing the criteria is not to be more restrictive than other levels of government.

#### **4.4.3 Assist in the Development of Affordable Housing**

New construction is a major source of housing for prospective homeowners and renters but generally requires public sector support for the creation of units affordable to lower income households. While for-sale housing costs are somewhat lower in Santee than in the surrounding region, thereby extending homeownership opportunities to many moderate income households, the City's rental costs are higher than the surrounding region. Compounding the need for affordable rental housing in the City is the displacement of lower income tenants from multi-family housing to be displaced to accommodate the SR 67 freeway interchange. Additional displacement will result from construction of SR 52 and SR 125 through Santee although CalTrans maintains responsibility for mitigation. The following programs attempt to address the overall need for affordable housing in Santee.

#### **Section 8 Rental Assistance Payments/ Housing Vouchers**

The Section 8 rental assistance program extends rental subsidies to low income families and elderly which spend more than 30 percent of their income on rent. The subsidy represents the difference between the excess of 30 percent of the monthly income and the actual rent. The voucher program is similar to the Section 8 Program, although participants receive housing "vouchers" rather than certificates. Vouchers permit tenants to locate their own housing. Unlike in the certificate program, participants are permitted to rent units beyond the federally determined fair market rent in an area, provided the tenant pays the extra rent increment. The Reagan administration had proposed converting the Section 8 certificate program to a voucher system, which is expected to be implemented under the current Bush administration HUD Secretary.

The City of Santee contracts with the San Diego County Department of Housing and Community Development, which acts as the Public Housing Authority for the City, to administer the Section 8 Certificate/Voucher Program. As of May 15, 1989, Santee had secured a total allocation of 112 vouchers and certificates. Based on a goal of meeting 10 percent of Santee's rental subsidy needs, the City's Housing Assistance Plan identifies a rental assistance goal of an additional 200 units annually.



The 1989 Santee Mobile Home Survey identifies the rental assistance needs of the City's mobile home residents. Very Low and Low Income mobile home residents were identified as potentially in need of housing assistance if they paid greater than 30 percent of their income on rent, the Federal standard for housing overpayment. The results of the survey indicate that 23.5 percent of all respondent households could qualify for rental assistance. Applying this proportion to the City's total 2,210 mobile home stock could indicate a potential rental assistance need for 520 mobile home households.

It is impossible to know how many additional housing vouchers the City will actually receive from HUD. A portion of the City's redevelopment set-aside fund could be used to augment the number of rental subsidies available. As Federal housing rent vouchers are not permitted to be used with mobile homes, and rental rates charged at mobile home parks usually exceed the fair market limit for Section 8 Rent Certificates, the City's lower income mobile home park residents could particularly benefit from a City-financed rental assistance program. The City's redevelopment set-aside fund could be utilized to augment the number of rental assistance vouchers offered to Santee's lower income households.

#### Density Bonus Program

The City of Santee has adopted a density bonus program as an incentive to developers to provide low income housing, senior citizen housing, or both in order to provide a balance of housing opportunities in the City. Chapter 17.26 of the City's Zoning Ordinance sets forth the specific provisions of Santee's density bonus program, which can be summarized as follows:

Low Income Housing: Pursuant to State law, if a developer allocates at least 25 percent of the units in a housing project to low or moderate income households, the City will consider granting a density bonus of 25 percent to the project site's existing maximum allowable density or in lieu of granting a density bonus, the City may grant an incentive of equivalent financial value which may include, but not be limited to, direct financial assistance to the developer, such as land write-downs, on and off site public improvements, fee waivers, or relaxation of development standards. The City may also provide incentives in the form of financial incentives to the resident, such as through rental and mortgage assistance payments. In order to ensure the long term affordability of these units to low and moderate income households, the developer may be required to enter into a Development Agreement with the City.

State Assembly Bill 1863, 1989 statutes, amends Government Code Sections 65913.4, 65915, and 65917 pertaining to density bonus incentives. Pursuant to these changes in State density bonus law, if a developer allocates at least 20% of the units in a housing project to lower income households, 10% for very low income households, or at least 50% for "qualifying residents" (e.g. senior citizens), the City must either a)



grant a density bonus of 25%, along with one additional regulatory concession to ensure that the housing development will be produced at a reduced cost, or b) provide other incentives of equivalent financial value based upon the land cost per dwelling unit. The developer shall agree to and the City shall ensure continued affordability of all lower income density bonus units for a minimum 30 year period. The City will need to reflect these revised State requirements in its Zoning Code as part of its evaluation of existing density bonus incentives (Policy 1.6).

To serve as an additional incentive for affordable housing development, rental assistance vouchers could be offered in concert with density bonus incentives for some or all of the affordable units. Such "project-based" rental housing assistance could be financed with the City's redevelopment set-aside monies. Other potential redevelopment-financed incentives the City could utilize to encourage use of the density bonus program include



the provision of infrastructure, land or interest rate write-downs and the reduction of fees and/or standards. In order to ensure the quality of lower income units provided, redevelopment set-aside funds could also be used to finance added project amenities, such as additional landscaping and architectural treatment.

Senior Citizen Housing: Pursuant to State law, if a developer allocates at least 50 percent of the units in a housing project to the elderly, the City will consider granting a density bonus of 25 percent to the project site's existing maximum allowable density. Or, in lieu of granting a density bonus, the City may grant an incentive of equivalent financial value, such as those identified in the prior section on Low/Moderate income housing.

The City currently offers a reduction in on-site parking (.7 spaces per unit, including guest parking) for senior housing developments pursuant to certain conditions. In terms of housing which is affordable to low and moderate income seniors, the City of Santee offers the following additional density bonus incentives:

<u>% of Affordable Units in Senior Housing Project</u>	<u>Maximum Density Bonus</u>
0	25%
10	40%
15	50%
20	60%
25	70%

In the process of trying to implement these density incentives for affordable senior units, the City has recognized the need to evaluate various site-specific factors to determine an appropriate density increase. Factors considered by the City include land uses surrounding the proposed project site, the availability of infrastructure, site topography, and the site's proximity to commercial services. This Housing Element has established a policy which calls for re-evaluation of the City's current density incentives for low/moderate senior housing to more closely reflect actual density increases to be granted a developer. At this writing, a senior project is proposed under the density bonus provision.

The need for senior housing can be expected to increase in Santee based on the loss of several mobile home parks in the City resulting from future freeway corridors which will traverse the City. It will therefore be particularly important for the City to encourage and facilitate the development of housing which is affordable to senior citizens. CalTrans will be responsible for providing relocation assistance for displaced residents from the construction of SR 52 and SR 125. The City-sponsored incentives discussed under Low/Moderate Income Housing - project-based rental assistance, provision of infrastructure, land or interest rate



write-downs, and reduction of fees and/or standards - could also be utilized to encourage the construction of senior housing affordable to low and moderate income households. In addition, the City may also wish to consider coordinating with a non-profit group to sponsor a senior housing project.

Mobile Home Subdivisions: In order to offer incentives for the development of new mobile home park subdivisions, the City will consider increasing the project density by either granting up to a 25 percent density bonus to the project site's existing density category in the HL, R-1, R7 and R14 zones and up to a 60 percent bonus in the R-2 zone, or granting a request for a change in density range (per the City's General Plan), or both depending upon the quality, size, nature and scope of the project. As further incentive for the development of new mobile home parks, the City is currently processing an amendment to the Mobile Home Park Overlay District to provide for a density increase of up to 60 percent. Fee reduction incentives are also offered to mobile home developments.

### Non-Profit Construction

A non-profit housing corporation works to develop, conserve and promote affordable housing, either owner or renter-occupied. Particularly in relation to senior citizen housing (such as HUD Section 202 projects), the non-profit is often a local religious organization interested in developing affordable housing. The non-profit is often involved with what is called "assisted housing", where some type of government assistance (such as Section 8) is provided to the individual household to keep rents affordable. Housing corporations can work with assisted housing in several ways.

1. The non-profit may assemble a development package and sell it to a profit-motivated developer. The package usually consists of a site, project design, the necessary permits, and, in some cases, preliminary financing commitments. The advantage of this method is that the non-profit can get low- and moderate-income housing built while ending its involvement early in the process and going on to other projects. The disadvantage is that the non-profit may lose control over the development at the time of sale. However, the non-profit could negotiate to retain some control over the project in the contractual agreement between it and the developer.
2. The non-profit may participate in a joint venture with a profit-motivated developer. Though it usually performs the same functions as in the first method, the non-profit can retain more control over the development and gain hands-on development experience while benefiting from the financial resources of the for-profit developer. In this option, however, the non-profit has a longer involvement and will have to negotiate the rights and responsibilities of the two partners.



3. In the third approach, the non-profit is the developer. In this case, the group must employ staff with necessary expertise or rely heavily on consultants. In return, the group has total control over the development. This option requires more risk, money, time, effort, and capability on the part of the non-profit.

A non-profit corporation can help meet the goals for additional housing by implementing or assisting with the implementation of programs described in this element. Of particular applicability in Santee is the need for a non-profit to sponsor a senior housing project in the City. The City should coordinate with local non-profit groups, such as Interface Housing and Volunteers of America, to facilitate the development and improvement of both senior citizen and low cost housing in Santee.

#### Land Assemblage and Write-Down

The City can utilize both CDBG and redevelopment set-aside monies to write down the cost of land for the development of senior citizen and/or affordable housing. The intent of this program is to reduce land cost to the point that it becomes economically feasible for a private (usually not-for-profit) developer to build units which are affordable to low/moderate income families. As part of the land write-down program, the City may also assist in acquiring and assembling property and in subsidizing on-site and off-site improvement costs.

#### Home Sharing

Many seniors who would prefer to live independently resort to institutionalized living arrangements because of security problems, loneliness, or an inability to live entirely independently. The City of Santee currently contributes a portion of its CDBG funds towards a shared housing program which assists seniors in locating roommates to share existing housing in the community. The program is administered by the East County Council on Aging from its El Cajon office. Services offered include information and referral, outreach, client counseling, placement and follow-up.

The shared housing program has been successful in providing an alternative option to Santee's elderly residents which allows them to remain in their homes. The program provided 29 female and 9 male roommate matches in Santee in 1988 alone. The majority of these seniors are very low income, with the additional rental income assisting the homeowner in meeting housing expenses, and the relatively low rental cost assisting the roommate by providing a source of affordable housing. The East County Council on Aging requests that rents charged not exceed \$250 per month, and indicates that housing is sometimes provided free of charge in exchange for assistance with housework, etc. In Santee, roommate matches have been made for mobilehomes as well as single-family homes.



The Council indicates that many seniors are interested in finding roommates to share their homes, but there traditionally have been fewer individuals seeking housing in an existing home. The Council on Aging will continue to conduct educational outreach, including public service announcements, distribution of brochures, and public speaking engagements, in attempts to increase the number of seniors they are able to assist through roommate matches. The City of Santee has allocated \$7,700 towards the program for Fiscal Year 1989-1990 and anticipates continued funding of the program in the future.

### Reverse Mortgage Program

The most substantial asset of most elderly homeowners is their home, which usually increases significantly in value with inflation. And while owning a home may provide a rich asset base with the onslaught of retirement and a fixed income, many elderly homeowners quickly become income poor. Home maintenance repairs multiply as the home ages, and the rising costs in home utilities, insurance, taxes, and maintenance often get deferred altogether, creating an unsafe and often depressing living environment for the senior.

An alternative option for elderly homeowners is to draw needed income from the accumulated equity in their homes through a reverse mortgage. A reverse mortgage is a deferred payment loan or a series of such loans for which a home is pledged as security. Qualification for the loan is based primarily on property value rather than on income, allowing the elderly homeowner on a fixed income to receive a loan for which he or she would not otherwise qualify. Most reverse mortgage programs permit homeowners to borrow up to 80 percent of the assessed value of their property, receive needed principal of up to 25 percent of the loan, and then receive monthly annuity payments for the life of the loan.

The San Francisco Development Fund offers free training to California communities interested in organizing a reverse mortgage program for seniors. The City could work with an existing social service group such as the East County Council on Aging in establishing a reverse mortgage program for seniors. Rather than making the loans themselves, the City/social service group's role could be to facilitate the initiation of reverse mortgage loans through the following steps. First, the City/social service group would need to provide educational and counseling services to seniors interested in pursuing a reverse mortgage. Second, the City/social service group would need to work with local lending institutions which currently provide these loans to gain a thorough understanding of the application process. The City/social service group could then work with the seniors to complete the loan applications and assist in providing any other necessary information to the bank. Contacts which may be helpful in setting up a reverse mortgage program include the City of Orange, which has been operating its mortgage program for over a year, and Security Pacific National Bank in Downey, which has begun offering reverse mortgage loans.



### Mobile Home Park Assistance Program (MPAP)

This program, offered by the State Department of Housing and Community Development, provides financial and technical assistance to mobilehome park residents who wish to purchase their mobilehome parks and convert the parks to resident ownership. Loans are made to low-income mobilehome park residents or to organizations formed by park residents to own and/or operate their mobilehome parks, thereby allowing residents to control their housing costs. Loans are limited to 50 percent of the purchase price plus the conversion costs of the mobilehome park and are awarded by the State on a competitive basis. Applications must be made by mobilehome park residents who must form a resident organization and a local public entity as co-applicants. Santee has already successfully co-sponsored one MPAP application for a local park. The City could further facilitate the use of this program by advertising its availability to mobilehome park residents and by continuing to serve as co-applicant for resident organizations applying to the State for funding. The City's Zoning Ordinance, through the Mobile Home Park Overlay District, currently provides for a 50 percent reduction in project application fees as an incentive for the conversion of existing rental parks to resident-owned parks.

### Shared Equity Program

Equity sharing allows lower income households to purchase a home by sharing the costs of home ownership with a sponsor such as a local Housing Authority. The sponsor and the buyer would together provide the downpayment and purchase costs to buy a house. When the house is sold, the equity earned through appreciation is split between the occupant and the sponsor according to an agreement made prior to purchase.

The design of a shared equity program depends on the co-investors, the source of funds, and community needs. A program can be as simple as a partnership where the occupant and sponsor purchase the home together and share the proceeds upon sale of the property in the same ratio as purchase costs were shared.

This program serves as a financing tool to provide homeownership opportunities to low and moderate income households. It could be targeted towards low and moderate income homeowners to be displaced as a result of future freeway development in Santee. While shared equity financing does occur in the private market, purchase terms are often not in the best interest of the occupant. It is therefore recommended that the City work with the Housing Authority or a non-profit housing group to offer shared equity as an homeownership option to low and moderate income households.



## Limited Equity Cooperatives

Limited equity cooperatives provide a means of homeownership to people who could not otherwise afford to buy housing. A housing cooperative is owned by a corporation made up of the cooperative's residents. Members do not own the individual units in which they live, but rather they own a share in the corporation and thereby have the exclusive right to occupy a specific unit. In a limited equity cooperative, the amount for which a share may be sold is limited to ensure the long term affordability of the unit. Affordability is protected because the corporate entity holds a blanket mortgage where vacated units are not refinanced and resold, thereby protecting them from price inflation. The City can encourage the formation of limited equity cooperatives by providing technical assistance to groups trying to organize a co-op.

### **4.4.4 Remove Governmental Constraints**

Under present law, the Santee Housing Program must include the following:

Address and, where appropriate and legally possible, remove governmental constraints to the maintenance, improvement, and development of housing.

## Zoning Ordinance

The City of Santee developed a comprehensive Zoning Ordinance in July 1985 to implement the City's General Plan. The following regulations in the Ordinance have an effect on the conservation and development of affordable housing in Santee:

- Condominium conversion regulations (Subdivision Ordinance).
- Conversion regulations for mobile home parks.
- Land use standards and development standards.
- Density and other incentives for affordable housing.
- Provisions for specific plan regulations.
- Density and fee reduction incentives for mobile home park subdivisions.

While many of these regulations have a positive effect on affordable housing, some regulations do add to the cost of development. However, the City's standards cannot be considered excessive in comparison with many communities and are considered to be the minimum necessary to ensure a certain level of quality development in the City.

## Efficient Processing

The Department of Planning and Community Development has a streamlined review process. Residential projects in Santee generally receive concurrent processing, thereby shortening review time and minimizing related holding costs.



### Development Fees

Development fees have been set at a level necessary to cover the costs to the City and to make appropriate contributions to the community. However, these fees contribute to the cost of housing, and may constrain the development of low priced units. Certain City fees could be reviewed to determine if waiver or subsidy by the City may be beneficial for the provision of lower income rental, low/moderate income ownership, and senior citizen housing. The City currently provides for reduced processing fees for mobile home developments. In addition, the City does not charge a development review fee for single-family residential development. A fee reimbursement program for affordable housing could be financed by the City's redevelopment set-aside fund.

#### **4.4.5 Equal Housing Opportunity**

In order to make adequate provision for the housing needs of all economic segments of the community, the housing program must include actions that accomplish the following:

Promote housing opportunities for all persons regardless of race, religion, sex, family size, marital status, ancestry, national origin, color, age or physical disability.

More generally, this program component entails ways and means to promote equal housing opportunity.

### Equal Housing Opportunity Services

Through Community Development Block Grant funding, the City has been providing tenant/landlord counseling and related housing services to community residents for the past few years. These services are furnished by the Heartland Human Relations Association. This organization provides similar services in Lemon Grove, El Cajon and La Mesa. Among the service components are the following:

- Affirmative Marketing.
- Fair Housing.
- Tenant-Landlord Counseling.
- Workshops and Public Information.



TABLE 4  
HOUSING PROGRAM SUMMARY

Housing Program	Program Objective	5-Yr. Goal (# Units to be Assisted)	Funding Source	Responsible Agency	Time Frame
<b>1. <u>Conserving &amp; Improving Existing Affordable Housing</u></b>					
a. Title 25 of Calif. Admin. Code	Ensure adequate maintenance of the City's mobilehome parks.	Not Applicable	None Necessary	State of California	Ongoing
b. Uniform Administrative Code	Bring substandard units into compliance with code.	Not Applicable	Department Budget	Dept. of Planning & Comm. Dev., Co. Health Dept.	Ongoing
c. Condominium Conversion Regulations	Minimize the conversion of affordable rental housing into condominium ownership.	Not Applicable	None Necessary	Dept. of Planning & Comm. Dev., Public Works Dept.	Ongoing
d. Mobile Home Conversion Regulations	Conserve the City's existing mobile home parks. Provide compensation to displaced residents if parks are converted to other uses.	Not Applicable	None Necessary	Dept. of Planning & Comm. Dev., City Manager's Office	Ongoing
e. Conservation of Existing Subsidized Housing	Provide for the continued affordability of the City's low and moderate income housing stock.	Unknown, dependent on status of mortgage prepayment	Redevelopment Set-Aside as Necessary	City Manager's Office	As Requested
f. Residential Rehabilitation	Maintain quality of housing in established neighborhoods, particularly for very low and low income households.	Assistance to 200 owner units, 100 renter units.	CDBG, Redevelopment Set-Aside	City Manager's Office	Ongoing



TABLE 4  
HOUSING PROGRAM SUMMARY  
(continued)

Housing Program	Program Objective	5-Yr. Goal (# Units to be Assisted)	Funding Source	Responsible Agency	Time Frame
g. Adopt Uniform Housing Code	Expand the scope of substandard housing conditions regulated by the City.	Not Applicable	Department Budget	Dept. of Planning & Comm. Dev.	Two Years
<b>2. Provision of Adequate Housing Sites</b>					
a. Land Use Element/Zoning Ordinance	Provide a range of residential development opportunities through appropriate land use and zoning designations.	Not Applicable	None Necessary	Dept. of Planning & Comm. Dev.	Ongoing
b. Site Suitability Criteria	Establish specific criteria to evaluate potential project sites for affordable housing.	Incorporation of criteria into Zoning Ordinance	Department Budget	Dept. of Planning & Comm. Dev.	Two Years
<b>3. Assist in Development of Affordable Housing</b>					
a. Section 8 Assistance Payments/Housing Vouchers	Extend rental subsidies to low and moderate income families and elderly.	Continued subsidy to 130 households, with subsidy to an additional 200 units over the 5-year period	HUD-Section 8 Cert. and Housing Vouchers; Redevelopment Set-Aside	City Manager's Office	Ongoing



TABLE 4  
HOUSING PROGRAM SUMMARY  
(continued)

Housing Program	Program Objective	5-Yr. Goal (# Units to be Assisted)	Funding Source	Responsible Agency	Time Frame
b. Density Bonus Program/Other Equivalent Incentives	Encourage development of housing for seniors and low income households through provision of density bonus/other equivalent incentives. Provide rental assistance vouchers for affordable units.	40-60 affordable units	Redevelopment Set-Aside	Dept. of Planning & Comm. Dev., City Manager's Office	As requested
c. Land Assemblage and Write-Down	Assemble property and extend write-down grants to non-profit developers to increase supply of affordable housing stock.	75 units	HUD-CDBG; Redevelopment Set-Aside	City Manager's Office	Ongoing
d. Home Sharing	Assist seniors in locating roommates to share existing housing.	40 Roommate Matches per Year	HUD-CDBG	City Manager's Office/East County Council on Aging	Ongoing
e. Reverse Mortgage Program	Coordinate with social service groups and lending institutions to establish a reverse mortgage program and provide educational outreach to seniors.	Work towards establishment of a Reverse Mortgage Program	None Necessary	City Manager's Office/East County Council on Aging	As Requested
f. Mobile Home Park Assistance Program	Provide financial and technical assistance to facilitate the conversion of mobile home parks to resident ownership.	Unknown, dependent on interest	Department Budgets	City Manager's Office, Dept. of Planning & Comm. Dev.	As requested



TABLE 4  
HOUSING PROGRAM SUMMARY  
(continued)

Housing Program	Program Objective	5-Yr. Goal (# Units to be Assisted)	Funding Source	Responsible Agency	Time Frame
g. Shared Equity Program/Downpayment Assistance	Provide homeownership opportunities to low and moderate income households through creation of equity partnerships.	10 Households	Redevelopment Set-Aside	City Manager's Office	As Requested
h. Limited Equity Cooperatives	Encourage cooperative homeownership for lower income households by providing technical assistance to groups trying to organize a co-op.	Unknown, dependent on interest	None Necessary	City Manager's Office	As Requested
<b>4. Remove Governmental Constraints</b>					
a. Zoning Ordinance	Ensure City standards are not excessive and do not unnecessarily constrain affordable housing.	Not Applicable	None Necessary	Dept. of Planning & Comm. Dev.	Ongoing
b. Efficient Processing	Provide concurrent processing for residential projects to shorten review time and minimize related holding costs.	Not Applicable	None Necessary	Dept. of Planning & Comm. Dev.	Ongoing
c. Development Fees	Provide reduced development fees for affordable and senior citizen housing.	Adopt an ordinance establishing modified development fees	General Fund, Redevelopment Set-Aside	Dept. of Planning & Comm. Dev., City Manager's Office	One Year



TABLE 4  
HOUSING PROGRAM SUMMARY  
(continued)

Housing Program	Program Objective	5-Yr. Goal (# Units to be Assisted)	Funding Source	Responsible Agency	Time Frame	
5. <u>Equal Housing Opportunity</u>	a. Equal Housing Opportunity Services	Affirm a positive action posture which will assure unrestricted access to housing.	Provide tenant/ landlord counseling and related housing services.	HUD-CDBG	City Manager's Office/Heartland Human Relations Association	Ongoing

Total units to be constructed: 3,009 - 11,821 total/125 - 145 assisted

Total units to be rehabilitated: 300 units

Total units to be conserved: 330 (Section 8), 200 (Senior Roommate Matching)



ATTACHMENT A

STATE HOUSING ELEMENT REQUIREMENTS



## STATE HOUSING ELEMENT REQUIREMENTS

REQUIRED HOUSING ELEMENT COMPONENT	REFERENCE
A. Housing Needs Assessment	
1. Analysis of population trends in Santee in relation to regional trends	Data Report Section 2.1
2. Analysis of employment trends in Santee in relation to regional trends	Data Report Chapter 5.0
3. Projection and quantification of Santee's existing and projected housing needs for all income groups	Data Report Section 4.5
4. Analysis and documentation of Santee's housing characteristics including the following:	
a. level of housing cost compared to ability to pay;	Data Report Section 3.4
b. overcrowding;	Data Report Section 3.2
c. housing stock condition.	Data Report Section 4.3
5. An inventory of land suitable for residential development including vacant sites and sites having redevelopment potential and an analysis of the relationship of zoning, public facilities and services to these sites	Housing Element Section 2.3
6. Analysis of existing and potential governmental constraints upon the maintenance, improvement, or development of housing for all income levels	Housing Element Section 2.2
7. Analysis of existing and potential nongovernmental and market constraints upon maintenance, improvement, or development of housing for all income levels	Housing Element Section 2.2



STATE HOUSING ELEMENT REQUIREMENTS (continued)

REQUIRED HOUSING ELEMENT COMPONENT	REFERENCE
8. Analysis of special housing needs: handicapped, elderly, large families, and female-headed households	Housing Element Section 2.1
9. Analysis concerning the needs of homeless individuals and families in Santee	Housing Element Section 2.1
10. Analysis of opportunities for energy conservation with respect to residential development	Data Report Section 4.6
<b>B. Goals and Policies</b>	
1. Identification of Santee's community goals relative to maintenance, improvement, and development of housing	Housing Element Section 3.1, 3.2, 3.3
2. Quantified objectives and policies relative to the maintenance, improvement, and development of housing in Santee	Housing Element Section 3.1, 3.2, 3.3
<b>C. Implementation Program</b>	
An implementation program should do the following:	
1. Identify adequate sites which will be made available through appropriate action with required public services and facilities for a variety of housing types for all income levels	Housing Element Section 4.4
2. Program to assist in the development of adequate housing to meet the needs of low- and moderate-income households	Housing Element Section 4.4
3. Identify and, when appropriate and possible, remove governmental constraints to the maintenance, improvement, and development of housing in Santee	Housing Element Section 4.4
4. Conserve and improve the condition of the existing affordable housing stock in Santee	Housing Element Section 4.4
5. Promote housing opportunities for all persons regardless of race, religion, sex, marital status, ancestry, national origin or color	Housing Element Section 4.4



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